Link Administration Holdings Limited
ABN 27 120 964 098

30 August 2022

**ASX ANNOUNCEMENT**

**Link Group Appendix 4E and Annual Financial Report 2022**

Link Administration Holdings Limited (ASX: LNK) (**Link Group**) provides the Appendix 4E and Annual Financial Report for the year ended 30 June 2022.

The release of this announcement was authorised by the Link Group Board.

**For further information:**
Investor Relations Contact – Tariq Chotani, Link Group +61 407 498 868
Media Contact – Ben Wilson, GRACosway +61 407 966 083

**About Link Group**
Link Group connects millions of people with their assets, including equities, pension and superannuation, investments, property and other financial assets. Link Group partners with thousands of financial market participants to deliver services, solutions and technology platforms that enhance the user experience and make scaled administration simpler. They help manage regulatory complexity, improve data management and provide the tools to connect people with their assets, leveraging analysis, insight and technology.

For more information, please visit: www.linkgroup.com.

**ENDS**

**Link Administration Holdings Limited**
ABN 27 120 964 098
Level 12, 680 George Street
Sydney NSW 2000
T +61 2 8280 7100
linkgroup.com

**ASX ANNOUNCEMENT**

30 August 2022

**APPENDIX 4E – PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

The Directors of Link Administration Holdings Limited (**Company**) (ASX: LNK) present the results of Link Group (Link Administration Holdings Limited and its controlled entities) for the financial year ended 30 June 2022 as follows:

| **Results for announcement to the market** | | | **30 June 2022 $'000** | 30 June 2021 $'000 |
|---|---|---|---|---|
| Revenue from ordinary activities | Up | 1% | **1,175,329** | 1,160,340 |
| Loss from ordinary activities after tax | Up | 58%[1] | **(67,571)** | (162,704) |
| Loss for the period attributable to owners of the Company | Up | 58%[1] | **(67,890)** | (163,352) |
| **Earnings per share** | | | | |
| Basic earnings (cents per share) | | | **(13.14)** | (30.75) |
| Diluted earnings (cents per share) | | | **(13.14)** | (30.75) |
| **Net tangible assets** [2] | | | | |
| Net tangible assets per security (cents per share) | | | **(23.4)** | (0.6) |

Link Group defines net tangible assets as net assets less intangible assets. A large proportion of Link Group's assets are classified as intangible assets including goodwill, client lists, software and deferred tax assets (net of deferred tax liabilities). Intangible assets have been excluded from the calculation of net tangible assets, resulting in a negative net tangible asset per security.

**Dividends**

Dividends paid by the Company during the financial year ended 30 June 2022 were:

| | Cents per share | Total amount | Franked/ Unfranked | Record date | Payment date |
|---|---|---|---|---|---|
| **Final 2021** | 5.5 | $29,492,439 | Franked at 100% | 1 September 2021 | 20 October 2021 |
| **Interim 2022** | 3.0 | $15,389,624 | Franked at 100% | 3 March 2021 | 8 April 2022 |

The Directors of the Company have not declared a 2022 final dividend. The proposed acquisition of Link Group by Dye & Durham Corporation ("Dye & Durham") by way of Scheme of Arrangement (Scheme), pursuant to a Scheme Implementation Deed announced to the ASX on 22 December 2021 and amended on 21 July 2022 (Revised Scheme Implementation Deed), permitted Link to pay a 2022 interim dividend of $0.03. The interim dividend was paid on 8 April 2022. The Revised Scheme Implementation Deed permits up to $0.08 per share of the scheme consideration to be paid as a Special Dividend. It is proposed that any Special Dividend would be 100% franked, subject to available franking credits. As at the date of these consolidated financial statements, the Special Dividend remains subject to

[1] Decrease in loss largely attributable to lower impairment expense in the current year of $83.1 million (30 June 2021: $182.8 million).
[2] The net tangible assets include right-of-use assets as defined by AASB 16 *Leases*.

successful implementation of the Revised Scheme Implementation Deed. Further information can be found in the Explanatory and Supplementary Explanatory Booklets at www.linkgroup.com/scheme-meeting.

**On-market share buy-back**

On 26 August 2021, Link Group announced its intention to undertake an on-market buy-back of its shares up to a maximum cost of $150.0 million. On 5 November 2021, the buyback was suspended following the receipt of the non-binding indicative proposal from The Carlyle Group Inc. Link Group had bought back 23,238,691 shares for a value of $101.7 million up to 5 November 2021.

**Commentary on results for the year**

Commentary in relation to operating performance, earnings per share, segment results, returns to shareholders and trends in performance can be found in the attached Annual Financial Report, which includes the Directors' Report (predominantly the Operating and Financial Review section) and audited financial statements.

Additional commentary on results for the period can be found in the Media Release also announced to ASX today (30 August 2022).

**Other information**

The information in this Appendix 4E should be read in conjunction with Link Group's attached Annual Financial Report for the financial year ended 30 June 2022, which includes the financial statements. Additional Appendix 4E disclosures can be found in the notes to the Financial Report. The financial statements have been audited by KPMG.

*Scheme Implementation Deed with Dye & Durham Corporation*

On 22 December 2021, Link Group entered into a Scheme Implementation Deed ("Original Scheme") with Dye & Durham under which Dye & Durham will acquire 100% of the share capital of Link Group by way of a Scheme of Arrangement. On 21 July 2022, Link Group announced it had entered into a Revised Scheme Implementation Deed (Revised Scheme) with Dye & Durham under which Dye & Durham will acquire 100% of the share capital of Link Group by way of a Scheme of Arrangement. The Revised Scheme arose after Dye & Durham made several proposed reductions to the Original Scheme consideration acknowledging the undertaking required to achieve ACCC approval of the scheme, and the change in global financial markets between December 2021 and June 2022.

Under the Revised Scheme, Link Group shareholders will receive $4.81 per share in base cash consideration. Link Group intends to pay a Special Dividend of approximately $0.08 per share expected to be franked at 100% subject to available franking credits, and this Special Dividend will be deducted from the $4.81 per share base consideration. In addition to the base consideration, under the Revised Scheme, if Dye & Durham reaches an agreement to sell the Banking & Credit Management (BCM) business, shareholders are entitled to receive any net consideration received from the sale of BCM prior to, or up to 12 months after, the implementation of the Revised Scheme, up to $0.13 per share.

Link Group's Board unanimously recommended that Link Group shareholders vote in favour of the Revised Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Revised Scheme is fair and reasonable and in the best interests of Link Group shareholders. The Link Group Scheme Meeting was held on 22 August 2022, pursuant to an order of the Supreme Court of New South Wales made on 2 August 2022. Link Group shareholders voted in favour of the proposed acquisition of Link Group by Dye & Durham Corporation.

Significant progress has been made on the Revised Scheme and it is expected to be finalised at the end of September 2022, subject to remaining regulatory approvals and the approval of the Supreme Court of New South Wales **(Court)** at the hearing scheduled for 9:15am (Sydney time) on 9 September 2022.

Further information about the results is included in the Full Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

ENDS

Investor Relations Contact - Tariq Chotani, Link Group +61 407 498 868

Media Contact - Nick Howe, GRACosway +61 407 183 221

# Annual Financial Report

## ACN 120 964 098

## Link Administration Holdings Limited and its controlled entities

## 30 June 2022

# FINANCIAL REPORT CONTENTS

SECTION

## 01 Directors' Report



SECTION

## 02 Financial Statements



SECTION

## 03 Notes to the Financial Statements

# FINANCIAL REPORT CONTENTS

SECTION

# 01 Directors' Report

## DIRECTORS AND COMPANY SECRETARIES

The Directors present their report together with the consolidated financial statements of Link Group, being Link Administration Holdings Limited ("the Company") and its Controlled Entities, for the financial year ended 30 June 2022 and the auditor's report thereon.

The Directors of the Company at any time during or since the end of the financial year are:

| DIRECTORS | EXPERIENCE AND BACKGROUND |
|---|---|
| <br>**Michael Carapiet**<br>Independent Chair and Non-Executive Director<br>Appointed 26.06.2015 | Michael Carapiet was appointed as a Director and Chair of the Company in 2015. He is an ex-officio member of all Board Committees.<br>Michael is Chair of Smartgroup Corporation Limited. He was previously Chair of Insurance & Care NSW (icare), Chair of SAS Trustee Corporation and a Director of Southern Cross Media Group Limited.<br>Michael has also served on Commonwealth Government boards including Infrastructure Australia, Clean Energy Finance Corporation and Export Finance Insurance Corporation.<br>Michael has over 30 years of experience in banking and financial services and holds a Master of Business Administration from Macquarie University, Sydney. |
| <br>**Vivek Bhatia**<br>Chief Executive Officer & Managing Director<br>Appointed 02.11.2020 | Vivek Bhatia joined Link Group in 2020 as CEO and Managing Director.<br>Vivek has over two decades of experience in financial services, government and management consulting.<br>Vivek is an experienced chief executive, having led a number of complex businesses throughout his career. Vivek joined Link Group from QBE Insurance Group where from 2018 he was Chief Executive Officer of the ASX-listed general insurance and reinsurance company's Australia Pacific division. Vivek joined QBE from icare where he held the position of Chief Executive Officer and Managing Director. Prior to this, he co-led the Asia-Pacific Restructuring and Transformation practice at McKinsey & Company and also previously held senior executive roles at Wesfarmers Insurance, including responsibility for leading the Australian underwriting businesses of Lumley, WFI and Coles Insurance.<br>Vivek serves as a Non-Executive Director on the Board of PEXA, which operates Australia's leading digital property settlement platform.<br>Vivek holds an undergraduate degree in engineering, a post graduate in business administration and is a Chartered Financial Analyst (ICFAI). |

| DIRECTORS | EXPERIENCE AND BACKGROUND |
|---|---|
|  **Glen Boreham, AM**<br>Independent Non-Executive Director<br>Appointed 23.09.2015 | Glen Boreham was appointed a Non-Executive Director of the Company in 2015. He is Chair of the Technology & Transformation Committee and a member of the Human Resources and Remuneration Committee.<br>Glen is a Director of Cochlear Limited and Southern Cross Media Group Limited and Strategic Advisor to IXUP Limited.<br>Previously, Glen was the Managing Director of IBM Australia and New Zealand. He has also previously served as Chair of Screen Australia, Advance and the Industry Advisory Board for the University of Technology, Sydney, as well as Deputy Chair of the Australian Information Industry Association and as a Director of the Australian Chamber Orchestra.<br>Glen holds a Bachelor of Economics from the University of Sydney and an Honorary Doctorate from the University of Technology Sydney. In January 2012, Glen was awarded a Member of the Order of Australia for services to business and the arts. |
|  **Andrew (Andy) Green, CBE**<br>Independent Non-Executive Director<br>Appointed 09.03.2018 | Andy Green was appointed a Non-Executive Director of the Company in 2018. He is Chair of the Risk Committee and a member of the Technology & Transformation Committee.<br>Andy is Chair of Simon Midco Ltd the holding company of Lowell Group, Chair of Gentrack Group Ltd and Senior Independent Director of Airtel Africa plc.<br>Andy is a Commissioner at the UK's National Infrastructure Commission, Chair of WaterAid UK, Vice Chair of The Disasters Emergency Committee and a trustee of WWF UK.<br>Andy's earlier career at BT Group (formerly British Telecom) spanned more than 20 years, including as CEO of Global Services. He also previously served as Group Chief Executive of IT and management consultancy company Logica plc, and as Senior Independent Director at ARM Holdings plc.<br>Andy holds a Bachelor of Science in Chemical Engineering with first class honours from Leeds University. |
|  **Peeyush Gupta, AM**<br>Independent Non-Executive Director<br>Appointed 18.11.2016 | Peeyush Gupta was appointed Non-Executive Director of the Company in 2016. He is a member of each of the Risk and Audit Committees.<br>With over 30 years of experience in the wealth management industry, Peeyush was previously co-founder and the inaugural CEO of IPAC Securities Limited, a wealth management firm spanning financial advice and institutional portfolio management. He has extensive corporate governance experience, having served as a Director on listed corporate, not-for-profit, trustee and responsible entity boards since the 1990s.<br>Peeyush is currently the Chair of Charter Hall Direct Property Management Limited and Long Wale REIT and a Non-Executive Director of National Australia Bank, Insurance & Care NSW (icare), SBS and Quintessence Labs Pty Ltd.<br>Peeyush holds a Masters of Business Administration (Finance) from the Australian Graduate School of Management and has completed the Advanced Management Program at Harvard Business School. He is a Fellow of the Australian Institute of Company Directors. In January 2019, Peeyush was awarded a Member of the Order of Australia for significant service to business, and to the community, through his governance and philanthropic roles. |

| DIRECTORS | EXPERIENCE AND BACKGROUND |
|---|---|

**Anne McDonald**

Independent Non-Executive Director

Appointed 15.07.2016

Anne McDonald was appointed a Non-Executive Director of the Company in 2016. She is a member of each of the Audit Committee and Human Resources and Remuneration Committee.

Anne has over 20 years' experience as a non-executive director. Her business and executive experience over 35 years has been in finance, accounting, auditing, risk management and governance. She was a partner of Ernst & Young for over 15 years.

Anne is a Non Executive Director of Smartgroup Corporation, St Vincent's Health Australia Limited and Transport Asset Holding Entity of New South Wales. She was previously Chair of Specialty Fashion Group, and a Non-Executive Director of Spark Infrastructure Group, GPT Group and a number of other businesses.

Anne is a Chartered Accountant, a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Sydney.

**Sally Pitkin, AO**

Independent Non-Executive Director

Appointed 23.09.2015

Dr Sally Pitkin was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Human Resources and Remuneration Committee and a member of the Risk Committee.

Sally has 25 years of experience as a Non-Executive Director and board member across a wide range of industries in both private and public sectors, including listed companies, highly regulated industries, professional services and commercialisation of new technology.

Sally is Chair of Super Retail Group Limited and a Fellow of the Australian Institute of Company Directors, and Chair of the Institute's Corporate Governance Committee.

Formerly a senior corporate partner at a national legal firm, Sally has extensive corporate and banking law experience. She holds a PhD in Governance from The University of Queensland and a Master and Bachelor of Laws from the Queensland University of Technology.

**Fiona Trafford-Walker**

Independent Non-Executive Director

Appointed 23.09.2015

Fiona Trafford-Walker was appointed a Non-Executive Director of the Company in 2015. She is Chair of the Audit Committee and a member of the Technology & Transformation Committee.

Fiona was previously an Investment Director at Frontier Advisors (Frontier). She was the inaugural Managing Director at Frontier and held that role for 11 years until 2011 when she became the Director of Consulting until 2017. Fiona played a critical role in growing Frontier and has over 28 years of experience in advising institutional investors on investment and governance-related issues.

Fiona is a Director of Perpetual Limited, Eclipx Group Limited, Prospa Group Ltd, and Chair of Prospa's Audit and Risk committee. Fiona is also a Director of Victorian Funds Management Corporation.

Fiona holds a Master of Finance from RMIT University and a Bachelor of Economics (with Honours) from James Cook University. Fiona is also a Graduate of the Australian Institute of Company Directors.

## Company Secretaries

Sarah Turner joined Link Group in February 2021 as General Counsel and Company Secretary and was appointed as Joint Company Secretary on 23 February 2021. Sarah has over 20 years' experience in global leadership, company secretarial and legal services in Australia and the UK in industries including healthcare and technology as well as in private legal practice. Prior to Link Group, Sarah was most recently General Counsel & Company Secretary at REA Group Ltd, a global digital media company operating leading property websites in Australia, Asia and the US. Sarah was a member of the REA Executive Leadership Team and managed the global legal team. Sarah holds a Bachelor of Laws (Hons), a Bachelor of Arts, a Graduate Diploma in Applied Corporate Governance and is a graduate of the AICD Company Directors Course (GAICD) and a Fellow of the Governance Institute of Australia (FGIA, FCG).

Emily McCaffery joined Link Group and was appointed as Joint Company Secretary on 16 December 2021. Emily has more than 20 years' legal and company secretarial experience in public and private entities. Emily holds a Bachelor of Laws and Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance. Emily resigned as Joint Company Secretary on 15 July 2022.

Emma Lawler resigned as Joint Company Secretary on 10 September 2021. Emma has more than 20 years' corporate governance and company secretarial experience in public and private, listed and unlisted entities. Emma holds a Bachelor of Business from the University of Technology and a Graduate Diploma of Applied Corporate Governance. Emma is also a Fellow of the Governance Institute of Australia.

## Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

| | BOARD – SCHEDULED | | BOARD – UNSCHEDULED [1] | | RISK | | AUDIT COMMITTEE | | HUMAN RESOURCES & REMUNERATION | | TECHNOLOGY & TRANSFORMATION | | NOMINATION | | SPECIAL PURPOSE | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | H | A | H | A | H | A | H | A | H | A | H | A | H | A | H | A |
| M Carapiet [2] | 10 | 10 | 16 | 16 | 4 | 4 | 4 | 4 | 6 | 6 | 3 | 3 | 1 | 1 | 7 | 7 |
| V Bhatia | 10 | 10 | 16 | 16 | - | 4* | - | 4* | - | 6* | - | 3* | 1 | 1 | 7 | 7 |
| G Boreham | 10 | 10 | 16 | 16 | - | 2* | - | 2* | 6 | 6 | 3 | 3 | 1 | 1 | 7 | 7 |
| A Green | 10 | 10 | 16 | 13 | 4 | 4 | - | 3* | - | 4* | 3 | 3 | 1 | 1 | 7 | 6 |
| P Gupta | 10 | 9 | 16 | 14 | 4 | 4 | 4 | 4 | - | 4* | - | 2* | 1 | 1 | - | 3* |
| A McDonald | 10 | 10 | 16 | 16 | - | 4* | 4 | 4 | 6 | 6 | - | 3* | 1 | 1 | - | 2* |
| S Pitkin | 10 | 10 | 16 | 15 | 4 | 4 | - | 4* | 6 | 6 | - | 3* | 1 | 1 | 7 | 7 |
| F Trafford-Walker | 10 | 10 | 16 | 16 | - | 4* | 4 | 4 | - | 6* | 3 | 3 | 1 | 1 | - | 2* |

H Number of meetings held during the period in which the Director or Committee Member was appointed to the Board or Committee.

A Number of meetings attended by the Director. All Directors are entitled to attend Committee meetings in an ex-officio capacity and attendance in an ex-officio capacity has been noted with an asterisk (*).

The Managing Director, Vivek Bhatia is a Member of the Nomination Committee but is not a Member of any other Committee given he is an Executive Director.

The Board also convenes Special Purpose Committee meetings from time to time as may be required.

1 Unscheduled Board Meetings are held at short notice.

2 Michael Carapiet is an ex-officio member of each of the Board Committees and a member of the Nominations Committee.

## EXECUTIVE KEY MANAGEMENT PERSONNEL (KMP)

The Executive KMP of the Company at any time during or since the end of the financial year are:

| CONTINUING EXECUTIVE KMP | EXPERIENCE AND BACKGROUND |
|---|---|
| **Vivek Bhatia**<br>Chief Executive Officer & Managing Director | See Directors section for more detail. |
| <br>**Antoinette Dunne**<br>Chief Executive Officer, Banking & Credit Management | Antoinette Dunne was appointed Chief Executive Officer of Banking & Credit Management on 1 June 2021.<br>Antoinette joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group. She was CEO and Executive Director of the BCMGlobal Irish and Italian businesses and has over 30 years' experience in financial services working in Ireland, UK and Australia.<br>Prior to joining Capita, Antoinette ran her own financial services consultancy business, was Head of Halifax Retail Bank in Ireland and Head of Bank of Scotland Mortgage, Asset Finance and Consumer Lending Businesses in Ireland.<br>Antoinette is a Chartered Director (CDir) and a Fellow Member of Association of Chartered Certified Accountants (FCCA). |
| <br>**Paul Gardiner**<br>Chief Executive Officer, Corporate Markets | Paul Gardiner was appointed Chief Executive Officer of Corporate Markets in May 2021.<br>Paul joined Link Group in 2006 when Orient Capital was acquired by Link Group from ASX Limited. His previous roles include Chief Technology & Operations Officer, and CEO of both Corporate Markets and Technology & Innovation.<br>Paul has over 20 years' experience in financial services, technology, operations, and data analytics, having joined Orient Capital in 2001.<br>Paul holds a Bachelor of Commerce and a Higher Diploma in Marketing Practice from the National University of Ireland, Galway and a Masters of Business Studies (Management Information Systems) from University College, Dublin. |

| CONTINUING EXECUTIVE KMP | EXPERIENCE AND BACKGROUND |
|---|---|

**Andrew MacLachlan**

Chief Financial Officer

Andrew MacLachlan was appointed Chief Financial Officer on 1 January 2019.

Andrew joined Link Group in 2009 and was Deputy Chief Financial Officer from 2013 to 2018.

Andrew has over 30 years' experience in Finance and Accounting. His previous roles include Chief Financial Officer at Fero Group Pty Limited, Chief Financial Officer at Evans and Tate Limited and various roles at Singtel Optus and KPMG.

Andrew is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Economics (Accounting and Finance) from Macquarie University.

**Dee McGrath**

Chief Executive Officer, Retirement & Superannuation Solutions

Dee McGrath joined Link Group as Chief Executive Officer of Retirement & Superannuation Solutions in May 2019.

Dee has over 20 years' of experience in the financial services and technology industry. Dee's previous senior appointments include National Australia Bank, Visa and HP, and prior to joining Link Group was Managing Partner, Global Business Services at IBM.

Dee was a Member of the Board of IBM Australia, Bluewolf Australia and Oniqua Holdings, and is also a Director of Smart Pension. Dee's qualifications include business studies, economics and strategic planning and is currently a member of Chief Executive Women.

**Karl Midl**

Chief Executive Officer, Fund Solutions

Karl Midl was appointed as Chief Executive Officer of Fund Solutions on 1 February 2022. Prior to this, Karl was Managing Director of the Fund Solutions business in the UK.

Karl joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group from Capita plc, and has over 25 years' operational and client facing experience in the Financial Services industry.

Karl joined the Fund Solutions business in 1995 and has held a number of executive roles including Operations Director, Program Director and Director of Relationship Management, Product and Change Management. In 2019 he was promoted to the role of Managing Director, Link Fund Solutions (UK).

Karl has represented Link Group on a number of industry committees and forums and is currently a member of The Investment Association's Investment Funds Committee. He is also a member of the Chartered Institute for Securities & Investment.

| EXECUTIVES THAT CEASED TO BE KMP | EXPERIENCE AND BACKGROUND |
|---|---|
|  **Chris Addenbrooke** Chief Executive Officer, Fund Solutions | Chris Addenbrooke retired from the position of Chief Executive Officer of Fund Solutions on 31 January 2022. Previously, Chris was CEO of the fund solutions business having joined Link Group in November 2017 when Capita Asset Services was acquired by Link Group from Capita plc.<br>Previous positions include Technical Director of BWD Rensburg (now part of Franklin Templeton) from 1987 to 2001. In 1988 Chris formed both Northern Registrars and Northern Administration and was Managing Director until 2003. Following the acquisition of Northern Administration and Northern Registrars by Capita, Chris was appointed CEO of Capita Registrars.<br>Chris has over 30 years in financial services, operations, IT, transfer agency, registration and fund governance, having joined the Water Authorities Superannuation Fund in 1979.<br>Chris represented Link Group on a number of industry committees including the UK Markets Advisory Group and the TA Forum. |

## PRINCIPAL ACTIVITIES

Link Group's principal activities during the course of the financial year were connecting people with their assets – safely, securely and responsibly. Link Group administers financial ownership data and drives user engagement, analysis and insight through technology. We deliver complete solutions for companies, large asset owners and trustees across the globe. Our commitment to market-leading client solutions is underpinned by our investment in people, processes and technology.

There were no significant changes in the nature of the activities of Link Group during the year.

## DIVIDENDS

Dividends paid by the Company during the financial year were:

| | CENTS PER SHARE | TOTAL AMOUNT | FRANKED/UNFRANKED | DATE OF PAYMENT |
|---|---|---|---|---|
| **Final 2021** | **5.5** | **$29,492,439** | **100% franked** | **20.10.2021** |
| **Interim 2022** | **3.0** | **$15,389,624** | **100% franked** | **08.04.2022** |

The Directors of the Company have not declared a 2022 final dividend. The proposed acquisition of Link Group by Dye & Durham Corporation ("Dye & Durham") by way of scheme of arrangement (Scheme), pursuant to a Scheme Implementation Deed announced to the ASX on 22 December 2021 and amended on 21 July 2022 (Revised Scheme Implementation Deed), permitted Link Group to pay a 2022 interim dividend of $0.03. The interim dividend was paid on 8 April 2022. The Revised Scheme Implementation Deed permits up to $0.08 per share of the Scheme consideration to be paid as a Special Dividend. It is proposed that the Special Dividend would be 100% franked, subject to available franking credits. As at the date of these consolidated financial statements, the Special Dividend remains subject to implementation of the Revised Scheme Implementation Deed. Further information can be found in the Explanatory and Supplementary Explanatory Booklets at www.linkgroup.com/scheme-meeting.

SECTION

# 01 Directors' Report

## REVIEW OF OPERATIONS

The net loss after tax of Link Group for the financial year was $67.6 million (2021: net loss after tax of $162.7 million).

Operating EBIT, which excludes certain significant items and Acquired Amortisation, for the financial year ended 30 June 2022 was $153.9 million (2021: $141.4 million). A reconciliation of Operating EBIT to the net profit of Link Group is included in Note 3 to the financial statements and further explanation of the results and defined terms is included in the Operating and Financial Review section within this report.

Operating NPATA, which excludes certain significant items and Acquired Amortisation, for the financial year ended 30 June 2022 was $121.3 million (2021: $113.2 million).

Link Group continues to be resilient in response to the challenges brought on by the COVID-19 pandemic and other macroeconomic factors impacting global markets during the year ended 30 June 2022. During the financial year, Link Group maintained a focus on safeguarding the well-being of employees, as well as ensuring continuity of service for clients and other stakeholders.

Further information about the results is included in the Full Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

SECTION

# 01 Directors' Report

## OPERATING AND FINANCIAL REVIEW

### 1. SUMMARY

| Revenue | Operating EBIT | Operating NPATA |
|---|---|---|
| **$1.18 billion** | **$154 million** | **$121 million** |
| FY2021: $1.16 billion | FY2021: $141 million | FY2021: $113 million |

| Statutory loss after tax | Basic earnings per share | Net operating Cash Flow Conversion |
|---|---|---|
| **$(68) million** | **(13.1) cps** | **81%** |
| FY2021: $(163) million | FY2021: (30.8) cps | FY2021: 114% |

### 2. BASIS OF PREPARATION

This Operating Financial Review (OFR)[1] is designed to assist shareholders' understanding of Link Group's business performance and the factors underlying its financial results and financial position. It complements the financial disclosures in the Financial Statements. The OFR covers the period from 1 July 2021 to 30 June 2022 (FY2022), including a comparative prior year (FY2021). A full reconciliation of the adjustments made to the statutory results is disclosed in more detail in section 5 (b).

Consistent with previous disclosures, Link Group uses certain measures to manage and report on the business that are not recognised under Australian Accounting Standards or International Financial Reporting Standards (IFRS), collectively referred to as 'non-IFRS financial measures. These non-IFRS financial measures are summarised in Appendix 1 of this OFR and have not been subject to audit or review in accordance with Australian Auditing Standards.

Given the extent of Significant items in the current and prior year statutory results, the Directors believe it will assist the readers' understanding of performance to compare year-on-year results on an Operating before Significant items basis. Therefore, unless otherwise stated, all of the analysis is presented on an Operating basis, with reconciliation back to statutory results provided in section 5(b).

1 All financial amounts contained in this OFR are expressed in Australian Dollars and rounded to the nearest $0.1 million, unless otherwise stated. Some numerical figures included have been subject to rounding adjustments. Any discrepancies between totals and sums of components in figures or tables contained in this OFR are due to rounding.

## 3. OVERVIEW

Link Group uses digitally enabled platforms to connect millions of people globally with their assets safely, securely and responsibly. Link Group is a sustainable business with strong cashflow and long-term client relationships, high levels of recurring revenue and diversified earnings. The organisation has strong market positions in all our core markets underpinned by a dedicated workforce and market-leading technology that is focused on innovation and a world class user experience.

During FY2022, a number of key macro-industry trends positively impacting the business, including:

- Global pension and superannuation markets continued to grow as a result of aging populations and rising demand for retirement solutions. Link is the largest superannuation administrator in Australia (Australia is the 5th largest pool of retirement savings in the world[1]) and supports many of Australia's largest superannuation funds. Link Group has expanded internationally and is growing strongly in the UK as the organisation leverages its unique market experience;
- Regulatory oversight continues to increase creating opportunities for Link Group to support its clients in discharging their responsibilities and allowing them to focus on growing their businesses; and
- Technology, data security and data privacy remain a major focus for all organisations. Link Group continues to make significant investment in these areas, building strong proprietary expertise and driving efficient, scalable solutions for its clients.

## 4. STRATEGY


[1] Global Pension Assets Study – 2022, Willis Towers Watson

## 5. SOLID FINANCIAL RESULTS AND PLATFORM FOR FURTHER GROWTH

Link Group delivered a solid overall financial performance and executing on a number of operational objectives, notwithstanding the ongoing multi-transaction takeover activity over the past 12 months.

The Retirement & Superannuation Solutions division continued to show strong underlying member growth, whilst the Corporate Markets division capitalised on improved capital market activity in the first half of the financial year and is well placed to benefit from rising interest rates going forward. FY2022 also saw the completion of the Global Transformation Program, delivering a further $78 million of gross annualised savings to 30 June 2022.

Link Group's financial position remains robust, with the business ending the financial year with comfortable leverage (within our guidance range of 2.0–3.0 times), substantial debt service capacity and increased operating margins. Consistent with its stated objectives and the needs of the market and client base, Link Group continued to invest in its technology platforms and product and service innovation during FY2022.

Table 1 below contains an overview of Link Group's financial results.

**Table 1: Statutory & Operating Financial Results**

| | IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|---|
| **Statutory Results** | Revenue | **1,175.3** | 1,160.3 | 1.3 |
| | (Loss)/profit before tax | **(64.6)** | (141.5) | 54.3 |
| | **Statutory NPAT** | **(67.6)** | (162.7) | 58.5 |
| | Earnings per share (cents) | **(13.1)** | (30.8) | 57.5 |
| **Operating Results** | Operating EBITDA | **252.3** | 256.6 | (1.7) |
| | Operating EBIT | **153.9** | 141.5 | 8.8 |
| | NPATA | **66.2** | 74.1 | (10.5) |
| | **Operating NPATA** | **121.3** | 113.2 | 7.1 |
| | Operating Earnings per share (cents) | **23.5** | 21.3 | 10.3 |

### (a) Statutory NPAT

Statutory Net Profit after Tax (Statutory NPAT) reflected a loss of $67.6 million compared to a prior year Statutory NPAT loss of $162.7 million. The improved Statutory NPAT result in FY2022 reflects:

- higher Operating EBIT contribution;
- higher equity accounted profit after tax relating to the stronger operating result of PEXA as it grew revenue and underlying earnings substantially during the year; and
- lower impairment expenses in FY2022. In 2021 the company recognised of an impairment charge relating to the Banking & Credit Management division of $182.8 million.

### (b) Operating NPATA

Operating NPATA of $121.3 million was up 7% on the prior year result of $113.2 million reflecting stronger revenues and a higher Operating EBIT, particularly from RSS and Corporate Markets business units. The strong operating performance of PEXA also contributed positively to Link Group's Operating NPATA.

Figure 2 below provides a reconciliation of Operating NPATA to Statutory NPAT.

**Figure 2: Statutory & Operating Financial Results [1,2]**

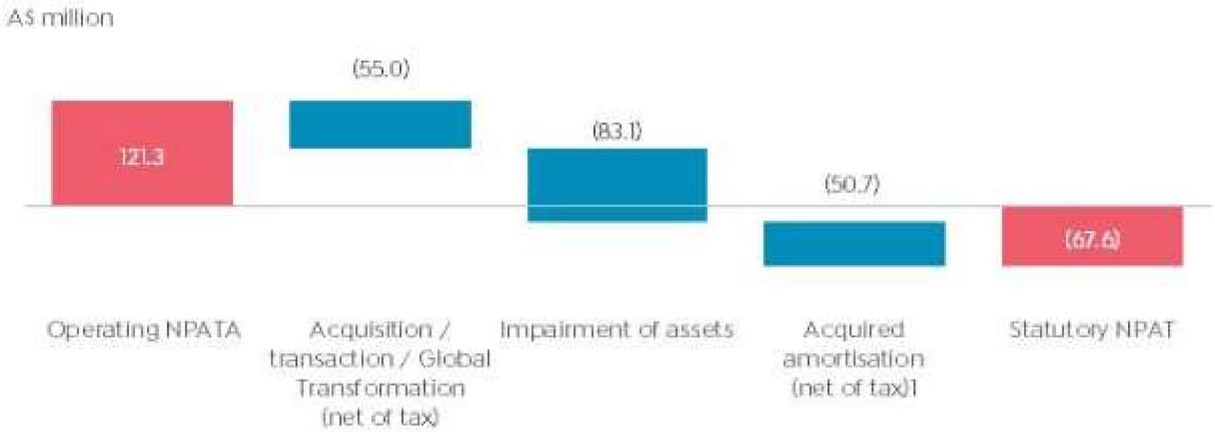
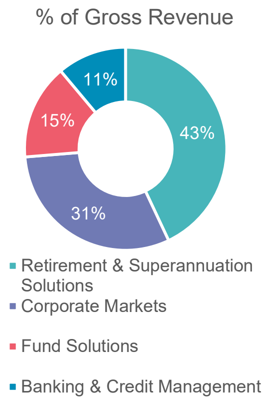



Table 2 below provides a summary of revenue and Operating EBIT by reporting segment.

**Table 2: Revenue and Operating EBIT by reporting segment**

| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| **Revenue** | | | |
| Retirement & Superannuation Solutions | **511.7** | 506.9 | 0.9 |
| Corporate Markets | **366.0** | 364.9 | 0.3 |
| Fund Solutions | **181.4** | 170.5 | 6.4 |
| Banking & Credit Management | **131.6** | 141.1 | (6.7) |
| **Gross Revenue** | **1,190.7** | 1,183.4 | 0.6 |
| Eliminations | **(15.4)** | (23.0) | (33.0) |
| **Total Revenue** | **1,175.3** | 1,160.3 | 1.3 |
| Recurring Revenue | **84%** | 85% | |




| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| **Operating EBIT** | | | |
| Retirement & Superannuation Solutions | **105.9** | 96.0 | 10.3 |
| Corporate Markets | **65.7** | 54.2 | 21.2 |
| Fund Solutions | **17.6** | 15.7 | 12.1 |
| Banking & Credit Management | **(14.8)** | (12.1) | (22.3) |
| Head Office | **(20.5)** | (12.4) | (65.3) |
| **Total Operating EBIT** | **153.9** | 141.5 | 8.8 |
| Operating EBIT margin | **13%** | 12% | |

1 'Significant Items (other) after tax' includes significant items both above and below the EBITDA line.
2 This reconciliation reflects significant items after tax. Note Table 7 reflects significant items before tax.

## Retirement & Superannuation Solutions

Retirement & Superannuation Solutions revenue increased 1% year-on-year to $511.7 million resulting from higher Recurring Revenue and Non-Recurring Revenue. Recurring Revenue was driven by higher member numbers and fund merger activity, with Non-Recurring Revenue also benefiting from the project related revenues associated with the increased fund merger activity.

**Table 3: Retirement & Superannuation Solutions Revenue, Operating EBITDA and Operating EBIT**

| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| Revenue | **511.7** | 506.9 | 0.9 |
| Operating Expenses | **(367.9)** | (364.5) | (0.9) |
| **Operating EBITDA** | **143.8** | 142.4 | 1.0 |
| Depreciation & Amortisation | **(37.9)** | (46.3) | 18.1 |
| **Operating EBIT** | **105.9** | 96.0 | 10.3 |
| Recurring Revenue | **89%** | 90% | |
| Operating EBITDA margin | **28%** | 28% | |
| Operating EBIT margin | **21%** | 19% | |

Recurring Revenue of $456 million (or 89% of the total revenue) was up $1.8 million or 0.4% on the prior year.

Recurring Revenue performance can be attributed mainly to the following factors:

- underlying member growth of 9.5% [1];
- full year benefit of revenue from the delivery of Hostplus client contact centre (won in FY2021);
- indexation-linked price increases; and
- increased member numbers from fund consolidation,

partly offset by:

- impact of some client exits and outward migrations of clients merging with funds not administered by Link Group;
- revenue impact of the Protect Your Super legislation on members accounts swept to the ATO; and
- revenue reductions from re-contracting activity.

Non-Recurring Revenue of $56 million represents 11% of total Retirement & Superannuation Solutions revenue. Non-Recurring Revenue was 6% higher than the prior year as project related revenue benefited from the increased fund merger activity across the financial year.

## Corporate Markets

Corporate Markets revenue increased by $1.1 million to $366.0 million and Operating Expenses and Depreciation and Amortisation decreased by $8.8 million and $1.6 million respectively. The cost improvement increased Operating EBIT to $65.7 million, which was $11.5 million or 21% higher than the previous year.

**Table 4: Corporate Markets Revenue, Operating EBITDA and Operating EBIT**

| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| Revenue | **366.0** | 364.9 | 0.3 |
| Operating Expenses | **(266.6)** | (275.4) | 3.2 |
| **Operating EBITDA** | **99.4** | 89.5 | 11.1 |
| Depreciation & Amortisation | **(33.7)** | (35.3) | 4.5 |
| **Operating EBIT** | **65.7** | 54.2 | 21.2 |
| Recurring Revenue | **74%** | 74% | |
| Operating EBITDA margin | **27%** | 25% | |
| Operating EBIT margin | **18%** | 15% | |

Both Recurring Revenue of $271 million and Non-Recurring Revenue of $95 million were broadly consistent with the prior year.

1 Underlying members assumes the full impact of Protect Your Super and Early Release of Superannuation Scheme member losses is reflected in June 2020.

The Recurring Revenue performance can be attributed mainly to the following factors:

- higher registry revenues across the division with significant growth in India a feature, benefiting from a strong IPO market in FY2022;
- cross-selling of value-added services; and
- strong overall client retention,

partly offset by:

- part year impact from the disposal of LMS South Africa concluded on 1 November 2020;
- lower print and mail volumes; and
- continued competitive fee pressure.

Non-Recurring Revenue increased to $95 million, broadly consistent with the previous year, reflecting higher levels of margin income, share dealing and investor relations support services as capital markets recovered from COVID-19.

## Fund Solutions

Fund Solutions has performed well under challenging circumstances in FY2022. Revenues continued to grow, increasing by 6% driven by broadly positive asset markets and an increase in net new monies. However, operating expenses increased to address additional regulatory challenges in the market. Fund Solutions' Operating EBIT for the period was $17.6 million with a margin of 10%, which was up $1.9 million on the prior year result.

**Table 5 Fund Solutions Revenue, Operating EBITDA and Operating EBIT**

| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| Revenue | **181.4** | 170.5 | 6.4 |
| Operating Expenses | **(150.9)** | (142.3) | (6.0) |
| **Operating EBITDA** | **30.5** | 28.2 | 8.2 |
| Depreciation & amortisation | **(12.9)** | (12.5) | (3.2) |
| **Operating EBIT** | **17.6** | 15.7 | 12.1 |
| Recurring Revenue | **92%** | 92% | |
| Operating EBITDA margin | **17%** | 17% | |
| Operating EBIT margin | **10%** | 9% | |

Recurring revenue, reflecting 92% of total revenue, was up 6% on the prior year, mainly attributable to higher assets under management (AuM) in the UK and Ireland and the additional revenues from an acquisition in Luxembourg.

The average assets under management and administration in EMEA for FY2022 amounted to £119 billion ($210 billion), up from £111 billion ($204 billion) in the prior year. The increase is largely driven by higher asset prices observed across financial markets during the FY2022.

## Banking & Credit Management

The operating environment for this business unit continues to be challenging. During FY2021, Banking & Credit Management revenue was $131.6 million, reflecting a 7% reduction on the prior year. Operating EBIT for the period was ($14.8) million with a margin of (11%), which was also down on the prior year.

**Table 6: Banking & Credit Management Revenue, Operating EBITDA and Operating EBIT**

| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| Revenue | **131.6** | 141.1 | (6.7) |
| Operating Expenses | **(134.0)** | (135.2) | 0.9 |
| **Operating EBITDA** | **(2.4)** | 5.9 | nmf [1] |
| Depreciation & Amortisation | **(12.4)** | (18.0) | 31.1 |
| **Operating EBIT** | **(14.8)** | (12.1) | (22.3) |
| Recurring Revenue | **84%** | 86% | |
| Operating EBITDA margin | **(2%)** | 4% | |
| Operating EBIT margin | **(11%)** | (9%) | |

1 'nmf' denotes a variance that is not meaningful.

Banking & Credit Management revenue of $131.6 million was down 7% from $141.1 million in the prior year largely due to inherent non-performing loan portfolio run-off. Revenue in the performing loan market increased via winning new business and supporting new lenders in the UK Ireland and the Netherlands. However, new business opportunities in the non-performing loan market remained limited during FY2022. Assets under administration at 30 June 2022 amounted to €42 billion ($63 billion), down from €46 billion ($73 billion) in the prior year.

## (d) Significant items

Total Significant items expense of $188.8 million was lower than the prior year expense of $275.9 million. The table below reflects the impact of significant items on each line item.

**Table 7: Summary of Significant Items**

| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| **Significant Items/One-off costs** | | | |
| Business Combinations Costs | **(28.1)** | (21.5) | (30.7) |
| Global Transformation Program | **(40.1)** | (27.2) | (47.4) |
| **Total Significant Items (impacting EBITDA)** | **(68.2)** | (48.6) | (40.3) |
| Depreciation and amortisation | **(2.2)** | (1.6) | (37.5) |
| Acquired Amortisation | **(43.2)** | (46.9) | 7.9 |
| Impairment of non-current assets | **(83.1)** | (182.8) | 54.5 |
| **Total Significant Items (impacting EBIT)** | **(196.7)** | (279.9) | 29.7 |
| Net finance expense | **(0.1)** | (0.2) | 50.0 |
| Gain/(Loss) on Assets Held at Fair Value | **–** | 2.6 | – |
| Gain on Disposal of Subsidiary | **–** | 15.3 | – |
| Loss from Equity Accounted Investments [1] | **(23.7)** | (26.5) | 10.6 |
| **Total Significant Items (impacting NPBT)** | **(220.5)** | (288.6) | 23.6 |
| Tax benefit/(expense) | **31.7** | 12.7 | 149.6 |
| **Total Significant Items (impacting NPAT)** | **(188.8)** | (275.9) | 31.6 |

The decrease in Significant items impacting EBIT was largely due to lower impairment of intangibles in FY2022 offset by higher business combination and higher costs relating to the Global Transformation Program. FY2022 business combination costs includes those associated with responding to the Carlyle and Dye & Durham proposals as well as those costs incurred implementing the Scheme Implementation Deed with Dye & Durham, the process to attempt to dispose of the Banking & Credit Management division and the exploration of a PEXA de-merger.

The Group recognised an impairment expense of $83.1 million in FY2022 relating to an impairment charge in both Plant and Equipment and Intangible Assets. The impairment expense in Plant and Equipment of $22.4 million related to certain premises assets and a review undertaken to assess the expected usage following an announcement to move to a blended working model. The impairment expense in Intangible Assets of $60.7 million related to the Banking & Credit Management Cash Generating Unit following the non-binding indicative offers to acquire BCM received from LC Financial Holdings and the syndicate led by Pepper European Servicing Limited, in November 2021. The non-binding indicative offers received were less than the recoverable amount of the BCM CGU and gave rise to an indicator of impairment. An impairment expense was recognised against goodwill in the BCM CGU to ensure the carrying value of the BCM cash-generating unit did not exceed the higher of the value-in-use and fair value (estimated sale price) less costs to sell as at 31 December 2021. Notwithstanding ongoing interest to acquire BCM, there was no sale transaction in progress at 30 June 2022. For this reason, a value in use calculation was performed at 30 June 2022, although it did not impact on the BCM goodwill recognised because it exceeded the written down value of goodwill and impairment charges cannot be reversed. The value in use of the Banking & Credit Management division has reduced from prior periods following a reduction in forecast cash flows, primarily due to lower levels of non-performing loan books expected to come to market in the forecast period, following the economic impact and government responses to the COVID-19 pandemic.

The income tax benefit reflects the tax effect of the above items.

1 The market value of Link Group's holding in PEXA was $1.1 billion as at 30 June 2022.

## (e) Other expenses below EBITDA

**Table 8: Other Expenses Below EBITDA**

| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| **EBITDA after Significant Items** | **184.1** | 208.0 | (11.5) |
| Depreciation and amortisation | **(100.6)** | (116.7) | 13.8 |
| EBITA | **83.5** | 91.2 | (8.4) |
| Acquired Amortisation | **(43.2)** | (46.9) | 7.9 |
| Impairment of non-current assets | **(83.1)** | (182.8) | 54.5 |
| EBIT | **(42.8)** | (138.4) | 69.1 |
| Net Finance Expense | **(30.7)** | (24.0) | (27.9) |
| Gain/(Loss) on Assets Held at Fair Value | **(0.1)** | 3.6 | (102.8) |
| Gain on Disposal of Subsidiary | **–** | 15.3 | – |
| Profit/(Loss) from Equity Accounted Investments | **8.9** | 1.9 | 368.4 |
| NPBT | **(64.6)** | (141.5) | 54.3 |
| Tax Expense | **(2.9)** | (21.2) | 86.3 |
| NPAT | **(67.6)** | (162.7) | 58.5 |
| Add Back Acquired Amortisation and Impairment of non-current assets [1] | **133.8** | 236.8 | (43.5) |
| NPATA | **66.2** | 74.1 | (10.5) |
| Add Back Significant Items After Tax | **55.0** | 39.1 | 40.7 |
| **Operating NPATA** | **121.3** | 113.2 | 7.1 |

### Depreciation and Amortisation

Depreciation and amortisation expense decreased by 14% to $100.6 million compared with the prior year largely due to lower amortisation on right of use assets, due to the ongoing consolidation of global premises and reassessment of the useful lives of some assets. Acquired Amortisation reflects the amortisation of client lists and the revaluation impact of acquired intangible assets resulting from business combinations. Acquired Amortisation decreased by 8% to $43.2 million compared with the prior year. This reflected assets from prior years' acquisitions reaching the end of their useful lives in FY2021 and FY2022 and the lower level of intangibles following the impairment of intangibles recorded in FY2021 and FY2022.

### Net Finance Expense

Net finance expense of $30.7 million is higher by $6.7 million on the previous year's net finance expense largely reflecting the increase in interest rates and a higher level of debt.

### Gain/(Loss) on Assets Held at Fair Value

Gain on assets held at fair value was not material in FY2022. The amount recorded in FY2021 reflected a fair value gain on the SMART Pension investment, net of a fair value loss on the Leveris investment.

### Gain on Disposal of Subsidiary

There was no gain on disposal of subsidiary in FY2022. In FY2021, the amount reflected the gain on disposal of LMS South Africa.

### Profit/(Loss) from Equity Accounted Investments

Profit from equity accounted investments increased to $8.9 million, largely reflecting Link Group's share of the stronger operating result of PEXA.

### Tax Expense

The effective tax rate of (4.5%) is reflective of non-taxable items such as the impairment expense, gain on disposal and fair value adjustments.

1 Acquired Amortisation is net of tax and includes Link Group's share of PEXA's Acquired Amortisation.

## 6. SOLID BALANCE SHEET AND CASH FLOW CONVERSION

Link Group maintained a prudent balance sheet in FY2022 with a moderate level of gearing (31% [1]) as at 30 June 2022 (2021: 24%). The business generates high levels of cash which enables it to maintain a substantial ongoing investment in enhancing its proprietary systems and in new products and services.

### (a) Balance Sheet

**Table 9: Summary Balance Sheet**

| | AS AT 30 JUNE | |
|---|---|---|
| IN $M | FY2022 | FY2021 |
| **Assets** | | |
| Cash | **193.3** | 395.0 |
| Trade & Other Receivables | **236.9** | 235.4 |
| Other Current Assets | **818.3** | 908.9 |
| **Total Current Assets** | **1,248.5** | 1,539.3 |
| Deferred Tax Asset | **60.5** | 65.3 |
| Other Non-Current Assets | **2,633.1** | 2,672.2 |
| **Total Non-Current Assets** | **2,693.6** | 2,737.4 |
| **TOTAL ASSETS** | **3,942.2** | 4,276.8 |
| **Liabilities** | | |
| Trade & Other Payables | **288.3** | 340.6 |
| Interest Bearing Liabilities | **36.4** | 31.0 |
| Other Current Liabilities | **833.4** | 956.7 |
| **Total Current Liabilities** | **1,158.1** | 1,328.3 |
| Interest Bearing Liabilities | **1,137.5** | 1,037.0 |
| Deferred Tax Liability | **107.1** | 120.7 |
| Other Non-Current Liabilities | **30.3** | 51.2 |
| **Total Non-Current Liabilities** | **1,274.9** | 1,208.9 |
| **TOTAL LIABILITIES** | **2,433.0** | 2,537.2 |
| **NET ASSETS** | **1,509.1** | 1,739.6 |
| **Equity** | | |
| Contributed Equity | **1,816.0** | 1,917.7 |
| Reserves | **(73.5)** | (11.2) |
| Retained Earnings | **(233.9)** | (167.8) |
| Non-Controlling Interest | **0.6** | 0.8 |
| **TOTAL EQUITY** | **1,509.1** | 1,739.6 |

Interest-bearing liabilities have increased by $105.9 million compared with the prior year. This largely reflects the purchase of the Company's shares in FY2022 following the announcement of the on-market share buy-back in August 2021. Total contributed equity decreased to $1,816.0 million from $1,917.1 million during FY2022. The increased level of gearing, together with the increased interest rates has also resulted in increased finance expenses during FY2022.

1 Gearing ratio calculated as Senior Debt/(Market Capitalisation + Senior Debt).

### (b) Cash flow

The Company recorded Cash flow conversion continues to be a key focus of the business and Link Group achieved a strong operating cash conversion rate of 81%, down from 114% in the previous year.

**Table 10: Summary Pro Forma Cash Flow**

| IN $M | FY2022 | FY2021 | VARIANCE (%) |
|---|---|---|---|
| **Operating EBITDA** | **252.3** | 256.6 | (1.7) |
| Changes in Fund Assets & Liabilities | **2.2** | (0.8) | (375.0) |
| Changes in Working Capital | **(49.6)** | 37.2 | (233.3) |
| **Net Operating Cash Flow** | **205.0** | 292.9 | (30.0) |
| Cash Impact of Significant Items | **(57.6)** | (36.3) | (58.7) |
| Tax | **(46.6)** | (14.1) | (230.5) |
| Interest | **(29.5)** | (27.6) | (6.9) |
| **Net Cash Provided by Operating Activities** | **71.3** | 214.9 | (66.8) |
| Capital Expenditure | **(69.2)** | (41.1) | (68.4) |
| Right of use asset payments | **(41.0)** | (34.9) | (17.5) |
| **Free Cash Flow (available for capital management)** | **(38.9)** | 139.0 | (128.0) |
| Other investing activities | **(52.3)** | 210.9 | (124.8) |
| Dividends Paid | **(45.1)** | (33.0) | (36.7) |
| Other financing Activities | **(61.9)** | (183.5) | (66.3) |
| **Net Increase/(decrease) in Cash** | **(198.2)** | 133.4 | nmf [1] |
| | | | |
| **Net Operating Cash Flow Conversion** | **81%** | 114% | (33.0) |

Negative working capital movement of $49.6 million reflects a normalisation of trade debtors and creditors, following a particularly strong performance in FY2021 (FY2021 positively impacted by COVID cash conservation measures), an unwind of claims provisions, an unwind of unearned revenue and timing on payments for insurance and multi-year IT agreements (prepayments).

Capital expenditure is a key driver of future productivity, product growth and cost efficiency. The business uses a benchmark of 4–6% of Link Group revenue to guide capital expenditure initiatives. In FY2022, capital expenditure was $69.2 million, representing 5.9% of revenue, consistent with its benchmark and up on FY2021 due to the non-recurrence of one-off premises related capital expenditure and cash conservation measures undertaken during the pandemic in the prior year.

### (c) Net debt

The Net Debt/Operating EBITDA ratio has increased to 2.6 times. This reflects the impact of a higher net debt, mostly arising from the share buy-back initiative undertaken during the year. The Operating EBITDA/net interest cost ratio has marginally increased to 15.1 times, reflecting higher earnings for the year.

As at 30 June 2022, Link Group had $243.2 million of undrawn committed facilities available. On 1 November 2021, Link Group refinanced all of its debt facilities.

**Table 11: Summary of Net Debt**

| IN $M | FY2022 | FY2021 |
|---|---|---|
| **Assets** | | |
| Cash | **(193.3)** | (395.0) |
| Long Term Debt | **881.2** | 849.6 |
| **Net Debt** | **687.9** | 454.6 |
| | | |
| **Debt ratios** | | |
| Net Debt/Operating EBITDA [2] | **2.6x** | 1.8x |
| Operating EBITDA/Net Interest Costs [3] | **15.2x** | 11.7x |

1 'nmf' denotes a variance that is not meaningful.
2 Leverage calculated in accordance with Link Group's debt agreement.
3 Interest cover calculated in accordance with Link Group's debt agreement.

## 7. PRO-ACTIVE MANAGEMENT OF RISKS

### (a) Link's risk management strategy

This section outlines Link Group's approach to identifying and managing risks, and for fostering a strong risk culture.

#### Enterprise Risk Management Framework (ERMF)

The ERMF sets the strategic approach for risk management by defining standards, objectives and responsibilities for all areas of the Group. It is then approved by the Link Group Board on recommendation of the Chief Risk Officer. It supports management in effective risk management and developing a strong risk culture. The ERMF sets out:

- risk appetite requirements. This helps define the level of risk we are willing to undertake in our business;
- risk management and segregation of duties. The ERMF defines a Three Lines of Defence model; and
- roles and responsibilities for managing risk: The ERMF sets out the accountabilities of the Global Business Unit Executives, as well as Link Group committees.

The ERMF is complemented by policies and procedures which are aligned to the Group's key risks:

- policies set out principles and requirements for the activities of the Group ('what' must be done); and
- procedures describe how the requirements set out in the policy are met, and who needs to carry them out ('how' things should be done).

#### Segregation of duties – the 'Three Lines of Defence' model

The ERMF sets out a clear Three Lines of Defence model which distinguishes the functional responsibilities of each line. All employees are responsible for understanding and managing risks within the context of their individual roles and responsibilities, as set out below:

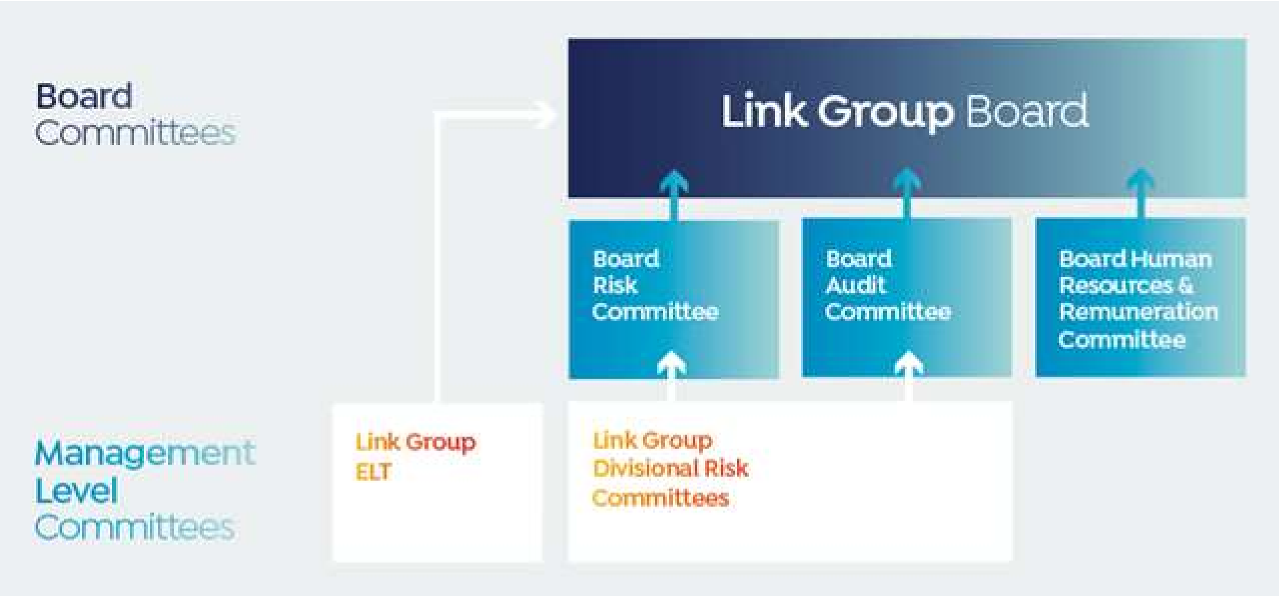
- The **First** line is the Business - all employees engaged in the revenue generating and client-facing areas of the Group and all associated support functions. The first line is responsible for identifying, assessing, and managing the risks they generate, establishing effective controls, identifying and managing incidents and ensuring they meet their compliance obligations.
- The **Second** line is comprised of the Risk and Compliance function. The role of the second line is to establish the frameworks and policies to support the business in identifying, assessing and managing their risks and regulatory compliance obligations as well as limits, under which first line activities shall be performed, consistent with the risk appetite of the Group. Risk and Compliance also provides guidance, challenge and independent oversight of the first line.
- The **Third** line of defence is Internal Audit, which is responsible for providing the Board Audit Committee with independent assurance over the effectiveness of the Group's governance, risk management and control practices.

All employees are responsible for managing risks. Leaders also have additional responsibilities commensurate with their positions.

#### Risk Appetite

Risk appetite is defined as the level and type of risk the Group is willing and able to take given its business strategy and obligations to stakeholders. It provides a basis for ongoing dialogue between management and Board with respect to the Group's current and evolving risk profile, allowing strategic and financial decisions to be made on an informed basis.

The Group's risk appetite is approved by the Link Group Board in aggregate and cascaded across businesses and entities, supported by measures, thresholds, and limits to assess, monitor, and control specific exposures and activities that may have material risk implications.




## (b) Risk Committees

Various committees also fulfil important roles and responsibilities. Link Group's global business unit level risk committees consider risk matters relevant to their business, with escalation to the Board Risk Committee, whose Chair, in turn, escalates to the Link Group Board, as required.

In addition to supporting the Board in setting the risk appetite of the Group, the Board Risk Committee is responsible for:

- reviewing the risk management and compliance frameworks and policies, and monitoring the effectiveness of their implementation;
- monitoring the Group's risk profile against the agreed appetite. Where actual performance differs from expectations, the actions taken by management are reviewed to ascertain that the committee is comfortable with them.

Further, there are two other Board-level committees which oversee the implementation of key aspects of the ERMF:

### Link Group Board Audit Committee:

The Audit Committee receives and considers reports from the Risk Committee on the adequacy and effectiveness of the Company's risk management, internal compliance and control systems and the process and evidence adopted to satisfy those conclusions. The Committee is also responsible for reviewing whether the Company has any material exposure to any economic, environmental and social sustainability risks and for reviewing and monitoring related party transactions and investments involving the Company and its directors. It should also be noted that the Internal Audit function has a direct reporting line to the Chair of the Audit Committee.

### Link Group Board Human Resources and Remuneration Committee:

The Human Resources and Remuneration Committee is responsible for oversight of the human resources strategy and supporting policies and practices for the Company's employees and directors and oversight of the policies and practices of the Company regarding the remuneration of directors and other senior executives and reviewing all components of the remuneration framework. This includes reviewing assessments of ELT performance against risk moderators and proposals for risk-based adjustments to variable remuneration.

### Link Group's risk culture

Risk culture can be defined as the norms, attitudes and behaviours related to risk awareness, risk taking and risk management. This is reflected in how the Group identifies, escalates and manages risk matters. Link Group is committed to maintaining a robust risk culture in which:

- Senior management demonstrate, expect and reward the right behaviours from a risk and control perspective; and
- employees identify, manage and escalate risk and control matters, and meet their responsibilities around risk management. Specifically, all employees regardless of their positions, functions or locations must play their part in managing the Group's risks. Employees are required to be familiar with risk requirements which are relevant to their responsibilities, know how to escalate actual or potential risk issues, and have an appropriate level of awareness of the risk management process as defined by the ERMF.

## (c) Our Code of Conduct

The Code of Conduct and Ethics builds on Link Group's Purpose and Values and outlines the expectations of our people to do what is right, to comply with laws and policies and conduct themselves professionally. The Code applies to our employees, contractors and our Board members.

All employees are required to undertake mandatory training on their obligations under the Code, at commencement of employment, and then on at least an annual basis. As part of the training, employees are required to attest to their compliance or disclose any breach of the Code at any time in the previous 12 months. Material breaches of the Code are reported to the Board.

## (d) Changes Relevant to the Group Risk Profile

Link Group continues to focus on identifying and adopting global best practices to identify, assess, manage, and control risks across our businesses. The following changes have the ability to directly or indirectly influence the Group Risk Profile:

- Executed a Scheme Implementation Deed with Dye & Durham;
- Appointed a new, highly experienced Chief Technology Officer;
- Refinanced Link Group's senior debt facilities in October 2021;
- Enhanced the Board approved Group Risk Appetite Statement (RAS), comprising revised risk appetite categories, measures and limits;
- Enhanced our strategic risk management documentation with the implementation of a new Enterprise Risk Management Framework and Three Lines of Defence model Standard;
- Continued to consolidate infrastructure and decommission aging technology assets as we execute on our cloud strategy;
- Expanded our technology and administration operations capabilities in Mumbai and Pune in India; and
- Enhanced our global treasury policy and management of treasury risks.

The Directors and Management understand and continually reassess existing and emerging risks (both short-term and long-term) that may be applicable to the Link Group's business, including Environment, Sustainability and Governance (ESG) risk. Link Group acknowledges the impacts that climate change could have on our business, that its impact may increase in future, and that it is increasing in significance for clients, investors and regulators globally. For more information about how we manage environmental, social, governance and climate-related risk, please refer to our Sustainability Report.

### Material existing and emerging risks to the Group's future performance

Some of the more material business risks faced by Link Group and how they are being managed are considered below in more detail. In addition, there are other generic risks inherent to all businesses, including Link Group, such as:

- impacts of the macro-economic environment, political and regulatory risk, including rising inflation, changes in interest rates, economic sanctions, higher commodities prices, market performance, and changes in regulations;
- our systems, technology and operational quality;
- ongoing impacts of the COVID-19 pandemic; and
- our ability to attract and retain key personnel.

Link Group considers these key risks in operating our businesses and actively manages them.

<table>
<tr><th>MATERIAL EXISTING OR EMERGING RISK</th><th>DESCRIPTION OF THE RISK AND ITS IMPACT</th><th>HOW WE RESPOND</th></tr>
<tr><td>Information and Cyber security</td><td>Description<br><br>Link Group's core products and services depend on appropriate management of information.<br><br>Link Group's ability to ensure the confidentiality, integrity and availability of information that it holds, may provide a competitive advantage or may be detrimental to Link Group, as it attempts to enable efficient and secure businesses.<br><br>Escalating geopolitical risks and the COVID-19 pandemic continued to be a source of increased Cybersecurity risks as the majority of our people were required to work remotely and perpetrators focused their efforts on an expanding range of diverse avenues in an attempt to access data and IT systems.<br><br>Impact<br><br>Clients and Regulators expect Link Group to securely store and make use of accurate information. Failure to meet these expectations may result in breach of confidence, contract or regulation, which may have a negative impact on Link Group's reputation, financial performance and ability to achieve our strategic objectives.</td><td>Link Group has in place a global information security management system aligned to the international best practice standard ISO27001, APRA CPS234 standard and the NIST cyber security resilience framework and invests significantly in key preventive and detective controls. These include:<ul><li>employing 'secure and privacy by design' principles in the design, development and deployment of policies, processes, procedures, systems, infrastructure, products and services;</li><li>proactive management of identified vulnerabilities, with controls in place to prevent, detect, mitigate and report breaches, including privacy and data breach response plans and regulatory reporting mechanisms;</li><li>implementation of new and/or updated information security controls to mitigate known attack vectors;</li><li>monitoring of internal and external system traffic;</li><li>regular external penetration testing;</li><li>user access controls to restrict access to premises, information and systems; and</li><li>mandatory privacy and information security training to all staff at least annually.</li></ul>Link Group maintains close ties with the information security and cyber security community and government authorities in a number of jurisdictions in which it operates.</td></tr>
<tr><td>Political and regulatory environment</td><td>Description<br><br>Link Group's businesses are influenced and affected by laws, regulations and government policy in each of the jurisdictions in which our clients operate.<br><br>Political and/or regulatory change, and Link Group's ability to comply with regulations, could enable or inhibit our business objectives.<br><br>Impact<br><br>Changes could affect the ability to achieve business objectives and financial performance. For example, by:<ul><li>limiting or removing authority to operate;</li><li>changing how a business operates or the clients we can service; and/or</li><li>altering resource requirements, operating efficiency and profitability.</li></ul>Changes may also provide an opportunity for Link Group to generate additional revenue streams by supporting its clients in meeting their regulatory compliance obligations.</td><td>Link Group:<ul><li>engages with government, regulatory authorities and industry bodies;</li><li>actively monitors, assesses and manages the impacts of changes to laws, regulations and government policy;</li><li>designs processes, procedures and systems consistent with the stated policy principles within each jurisdiction;</li><li>assists clients in understanding their obligations and preparing for the impact of change to laws, regulations, and government policy change; and</li><li>has a diversified geographic and jurisdictional presence.</li></ul>Link Group's businesses are supported by specialist Risk & Compliance professionals in each of the jurisdictions in which we operate. We are supported by internal and external legal counsel and expert third party advisors, as required.</td></tr>
</table>

| MATERIAL EXISTING OR EMERGING RISK | DESCRIPTION OF THE RISK AND ITS IMPACT | HOW WE RESPOND |
|---|---|---|
| **Principal risk** | **Description**<br>Link Group's ability to comply with its own obligations may result in regulatory and consumer exposures contrary to our objectives to operate profitable, risk managed, compliant businesses.<br>**Impact**<br>Link Group primarily provides services to/for clients as an agent (where we are indirectly accountable for regulatory compliance), but also provides services to clients as principal (where we have direct regulatory obligations). The Fund Solutions business acts as principal, primarily in Europe, and has direct regulatory obligations. Willingness to assume principal risk may provide a high barrier to entry, which could be a competitive advantage for Link Group. However, material failure by Link Group to discharge our principal obligations may negatively affect financial performance (compensation, pecuniary penalties, lost earnings) and reputation. It may also give rise to regulatory penalties or removal of authority to operate the relevant business. | Link Group mitigates this risk through:<br>• robust risk management and compliance frameworks focused on identifying, assessing, monitoring and mitigating risk;<br>• skilled and qualified staff;<br>• documented processes and procedures;<br>• assurance programs and an Internal Audit function;<br>• professional lines of insurance;<br>• proactive engagement with regulators;<br>• in the case of Fund Solutions, governance mechanisms and processes are in place to ensure its fiduciary obligations are being fulfilled;<br>• regular compliance training for staff;<br>• effective internal complaints mechanisms and dispute resolution systems to identify and address consumer concerns;<br>• ensuring compensation is appropriate with the level of risk taken in services and products provided; and<br>• a strong corporate governance structure and culture, including local legal entity boards with direct regulatory accountability as required. |
| **Client base, retention and arrangements** | **Description**<br>Link Group may experience greater or less success in attracting new clients, cross-selling products and services, retaining existing clients and scope of services on commercial terms and benefit from client merger activity than expected/desired.<br>Some factors may include:<br>• scope and quality of service;<br>• increased competition;<br>• industry consolidation;<br>• business and regulatory environment;<br>• strength of relationships;<br>• technological disruption and innovation; and/or<br>• uncertainty caused by the proposed Dye & Durham acquisition of Link Group and planned business divestments.<br>**Impact**<br>The key industries in which Link Group operates are all competitive markets and are expected to remain competitive. This may affect organic growth capability and the scope and quality of products and services. It may also influence resourcing, profitability and financial performance. | Link Group manages this risk through:<br>• development of long-term relationships based on strategic partnerships;<br>• competitive, diversified and integrated product and service offerings;<br>• dedicated client relationship managers;<br>• market and product benchmarking and evaluations;<br>• reputation and brand equity;<br>• management of contracted service delivery, including prompt rectification of issues; and<br>• commercial contractual protections.<br>Link Group actively monitors and invests in innovation and new technologies. It has invested over $400 million in the last 10 years in delivering technology-driven solutions for our clients and continues to partner with industry leaders to expand the range of value-added services for clients to further enhance competitive advantage. |

| MATERIAL EXISTING OR EMERGING RISK | DESCRIPTION OF THE RISK AND ITS IMPACT | HOW WE RESPOND |
|---|---|---|
| **Benefit realisation from acquisition, integration and transformation** | **Description**<br>The benefits of investment, acquisition, integration, migration, relocation, consolidation or transformation in a timely and commercial manner could be less than or greater than expected.<br>Some factors may include:<br>• appropriateness of each plan;<br>• accuracy of the calculation of expected benefits;<br>• quality and efficiency of execution;<br>• market conditions and client receptivity; and<br>• unexpected intervening events.<br>**Impact**<br>The extent to which expected synergies and other benefits are realised can affect Link Group's financial performance, organisational efficiency, allocation of resources and strategic plans. | Having successfully executed and integrated more than 40 business combinations over the past 15 years, Link Group has significant experience delivering on the expected benefits. This is achieved principally through:<br>• established and robust processes encapsulating people, systems, products and clients;<br>• partnering with organisations and employing people with appropriate skills, expertise, and experience to optimise each specific opportunity;<br>• disciplined project governance controls;<br>• initial strategic and financial analysis;<br>• contingency factoring;<br>• sound due diligence practices; and<br>• contractual protections.<br>Link Group's Global Transformation Program concluded in June 2022. The Program successfully delivered against targeted cost savings across the following key areas:<br>• Operational Efficiencies and Centres of Excellence including cost benefits achieved via process automation and other key operational efficiencies;<br>• Vendor Consolidation & Management including the review, cancellation, renegotiation and scaling back of vendor contracts; and<br>• Premises Strategy including savings achieved through premises consolidation. |
| **External Operating Environment** | **Description**<br>Link Group may experience impacts to its business because of changes in the external operating environment, including key macroeconomic and geopolitical factors.<br>Some factors may include:<br>• Macroeconomic factors including inflation, interest rates and labour market activity;<br>• global supply-chain disruptions and ongoing impacts from COVID-19 lockdowns in China; and<br>• the Russian invasion of Ukraine and wider geo-political tensions leading to significant uncertainty.<br>**Impact**<br>Given the uncertainty in the current outlook and rapidly changing operating environment, it is likely that meeting revenue or cost projections may be challenging with many factors outside Link Group's direct control. | Link Group manages this risk through:<br>• having a diversified geographic and jurisdictional presence;<br>• maintaining a competitive, diversified and integrated product and service offerings;<br>• attracting and retaining high performing employees;<br>• actively monitoring, assessing and managing the impacts of the external operating environment on the business, its financial performance and financial position;<br>• using commercial revenue models that align Link Group's revenue with the cost of service delivery;<br>• retaining commercial contractual protections where events outside of Link Group's control materially impact service delivery; and<br>• actively monitoring, assessing and managing the cash and liquidity to support the sustainability of Link Groups operations. |

| MATERIAL EXISTING OR EMERGING RISK | DESCRIPTION OF THE RISK AND ITS IMPACT | HOW WE RESPOND |
|---|---|---|
| **People Risk** | **Description**<br>Link Group's ability to deliver on its strategic objectives and maintain its existing scope of products and services is impacted by:<br>• Its ability to attract, retain and motivate its people;<br>• Maintaining an effective organisational model and structure; and,<br>• Providing a safe and sound working environment for its people.<br>**Impact**<br>The ability to retain and attract talent remains a significant risk facing the Group. The uncertainty caused by the transaction activity is contributing to attrition and recruitment challenges across the Group as are inflationary pressures and the highly competitive labour markets. | Link Group mitigates this risk through:<br>• Continual reinforcement of Link Group's culture and values including the global 'Appreciate' Recognition Program that recognises people who are living the Group's values;<br>• Actions supporting employee retention, development and engagement, including employee pulse survey, mainstreaming flexible and blended working arrangements ("FlexTogether"), remuneration benchmarking, job architecture, recruitment and career development initiatives;<br>• Ongoing review and where required evolution of Link Group's operating model and structure to support continued delivery of its strategic objectives;<br>• Continual investment in supporting the wellbeing of its people, including the 'Link Wellness' hub initiative ensuring all Link Group staff have access to wellness tools and support, mental health and resilience webinars as well as various Employee Assistance Programs. |

## 8. OUTLOOK

### FY2023

**Revenue: Low single digit growth**

**Operating EBITDA: 8-10% higher than FY2022**

**Operating EBIT: 10-12% higher than FY2022**

- FY2023 capital expenditure to be at the upper end of the 4% - 6% of revenue range
- FY2023 net operating cash flow conversion ratio expected to be in the 90% - 100% range
- FY2023 depreciation and amortisation expected to be in the $100 to $110 million range (operating component – excluding acquired amortisation)
- Margin income contribution expected to be significantly higher in FY2023 relative to FY2022 (Based on current market interest rate expectations)
- Leverage ratio expected to be in the 2.0x – 3.0x range

## APPENDIX 1: NON-IFRS DEFINITIONS

Link Group uses a number of non-IFRS financial measures in this OFR to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measures that are referred to in this OFR are as follows.

| | |
|---|---|
| **FY** | is financial year ended 30 June (in the applicable year). |
| **Recurring Revenue** | is revenue arising from contracted core administration servicing and registration services, corporate and trustee services, transfer agency, stakeholder engagement services, share registry services and shareholder management and analytics services that are unrelated to corporate actions. Recurring Revenue is expressed as a percentage of total revenue. Recurring Revenue is revenue the business expects to generate with a high level of consistency and certainty year-on-year. Recurring Revenue includes contracted revenue which is based on fixed fees per member, per client or shareholder. Clients are typically not committed to a certain total level of expenditure and as a result, fluctuations for each client can occur year-on-year depending on various factors, including number of member accounts in individual funds or the number of shareholders of corporate market clients. |
| **Non-Recurring Revenue** | is revenue the business expects will not be earned on a consistent basis each year. Typically, this revenue is project related and can also be ad hoc in nature. Non-Recurring Revenue includes corporate actions (including print and mail), call centre, capitals markets investor relations analytics, investor relations web design, extraordinary general meetings, share sale fees, off-market transfers, employee share plan commissions and margin income revenue. Non-Recurring Revenue also includes fee for service (FFS) project revenue, product revenue, revenue for client funded FTE, share sale fees, share dealing fees, one-off and other variable fees. |
| **Gross Revenue** | is the aggregate segment revenue before elimination of intercompany revenue and recharges such as Technology and Innovation recharges for IT support, client-related project development and communications services on-charged to clients. Link Group management considers segmental Gross Revenue to be a useful measure of the activity of each segment. |
| **Operating EBITDA** | is earnings before interest, tax, depreciation and amortisation and Significant items. Management uses Operating EBITDA to evaluate the operating performance of the business and each operating segment prior to the impact of Significant items, the non-cash impact of depreciation and amortisation and interest and tax charges, which are significantly impacted by the historical capital structure and historical tax position of Link Group. Link Group also presents an Operating EBITDA margin which is Operating EBITDA divided by revenue, expressed as a percentage. Operating EBITDA margin for business segments is calculated as Operating EBITDA divided by segmental Gross Revenue, while Link Group Operating EBITDA margin is calculated as Operating EBITDA divided by revenue. Management uses Operating EBITDA to evaluate the cash generation potential of the business because it does not include Significant items or the non-cash charges for depreciation and amortisation. However, the Company believes that it should not be considered in isolation or as an alternative to net Operating free cash flow. |
| **EBITDA** | is earnings before interest, tax, depreciation and amortisation. |
| **Operating EBIT** | is earnings before interest, tax and Significant items. Link Group also presents an Operating EBIT margin which is Operating EBIT divided by revenue, expressed as a percentage. Operating EBIT margin for business segments is calculated as Operating EBIT divided by segmental Gross Revenue, while Link Group Operating EBIT margin is calculated as Operating EBIT divided by revenue. |
| **EBIT** | is earnings before interest and tax. |

| | |
|---|---|
| **Operating NPATA** | is net profit after tax and after adding back tax affected Significant items and Acquired Amortisation. Link Group management considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of Significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to acquired software which is integral to the ongoing operating performance of the business. Link Group also presents Operating NPATA margin which is Operating NPATA divided by revenue, expressed as a percentage. Operating NPATA margin is a measure that Link Group management uses to evaluate the profitability of the overall business. |
| **Acquired Amortisation** | Acquired Amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets, which were acquired as part of business combinations. |
| **Operating earnings per share** | is Operating NPATA divided by the weighted average number of ordinary shares outstanding for the period. Link Group management considers Operating earnings per share to be a meaningful measure of after-tax profit per share as it excludes the impact of Significant items and the large amount of non-cash amortisation of acquired intangibles reflected in basic earnings per share. This measure includes the tax effected amortisation expense relating to acquired software which is integral to the ongoing operating performance of the business. |
| **Significant items** | refer to items which are considered to have a material financial impact and are not part of the normal operations of the Group. Significant items are used in both profit and loss and cash flow presentation. These items typically relate to events that are considered to be 'one-off' and are not expected to re-occur. Significant items are broken down into; Business combination/acquisition & divestment costs, Global Transformation costs, and other one-offs costs. |
| **Net operating cash flow** | is Cash receipts in the course of operations less Cash payments in the course of operations. |

Although Link Group believes that these measures provide useful information about the financial performance of Link Group, they should be considered as supplemental to the information presented in accordance with Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way Link Group calculated these measures may differ from similarly titled measures used by other companies.

## REMUNERATION REPORT

### Introduction from the Chair of the Human Resources and Remuneration Committee

Dear Shareholder,

On behalf of the Board, I present the Remuneration Report for the financial year ended 30 June 2022. This Report has been prepared on a consistent basis to previous years for ease of reference.

Our Remuneration Report received a first strike at the 2021 AGM. The Board welcomes feedback and we have taken this into account in determining the FY2022 remuneration outcomes. Our aim is to continue to align remuneration structures and decisions with sustainable shareholder value creation.

### Company Performance

FY2022 was impacted by multi-transaction takeover related activity for the majority of the year, a volatile global economy and challenging employment conditions. In this context, the Company achieved an Operating NPATA of $121.3 million, which represents a 7.1% increase on FY2021. This earnings result exceeded the target of $117.5 million set by the Board for the financial performance metric in the short-term incentive program. A fully franked dividend of 8.5 cents per share comprising the final dividend for FY2021 of 5.5 cents per share and the interim dividend for FY2022 of 3.0 cents per share was paid in FY2022.

### Remuneration Outcomes

In FY2022, the remuneration measures foreshadowed in the FY2021 Remuneration Report were implemented, including an equity based retention plan for senior leaders critical to successfully manage the Company through the takeover transaction activity.

The FY2020 long term incentive grant will be tested against the performance hurdles in October 2022 and the outcome will be advised to shareholders at or before the Annual General Meeting.

We welcome your feedback on our FY2022 Remuneration Report.

Yours sincerely,

**Sally Pitkin, AO**
Human Resources & Remuneration Committee Chair

## ABOUT THIS REMUNERATION REPORT

The Remuneration Report (Report) summarises the remuneration of Link Group's KMP; namely Directors and Executive KMP that are named in this Report for the year ended 30 June 2022. This Report has been prepared in accordance with the requirements of section 300A of the *Corporations Act 2001* and has been audited.

## 1. OVERVIEW OF THE EXECUTIVE KMP REMUNERATION APPROACH

### 1.1 Remuneration principles & philosophy

Link Group applies the following principles when developing and implementing remuneration decisions. The decisions made about remuneration should:

- support competitive market pay;
- support the attraction and retention of capable and committed employees;
- reinforce the alignment of behaviours and outcomes to Link Group values and strategic imperatives;
- align remuneration with sustainable shareholder value creation and returns;
- align remuneration with prudent risk taking and Link Group's long-term financial soundness;
- motivate individuals to pursue Link Group's long-term growth and success;
- demonstrate a clear relationship between Link Group's overall performance and the performance of individuals;
- support gender pay equity; and
- comply with all relevant legal, tax and regulatory provisions.

The Board recognises that the extraordinary nature of the takeover related activity created significant demands on Executive KMP and other leaders during the period. Retention of critical executives and managers was a dominant consideration for the Board determining remuneration outcomes for FY2022. Without these key people the dual challenges of focus and momentum operating the business and meeting takeover transaction demands would not have been achieved.

## 1.2 FY2022 Remuneration framework

Link Group's remuneration framework is designed to reward Executive KMP for achievement of Link Group strategy and shareholder value creation. Figure 1 outlines the components of Executive KMP remuneration and their purpose.

**Figure 1: FY2022 Executive KMP remuneration framework**

**FY2022 EXECUTIVE KMP REMUNERATION FRAMEWORK**

| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|
| **Fixed Remuneration** Cash, superannuation, non-monetary benefits | | | | |
| **STI** 50% received as Cash | **STI** 50% deferred into Link Group shares (holding lock[1] of 1 year for 50% of deferred STI and 2 years for remaining 50%) | | | |
| **LTI** Performance rights convert to shares after 3 years (50% shares delivered) | | | 1 year holding lock[1] (25% shares delivered) | 2 year holding lock[1] (25% shares delivered) |

**FY2022 EXECUTIVE KMP REMUNERATION COMPONENTS**

| Fixed | Variable "at risk" | |
|---|---|---|
| **Fixed remuneration** | **Short-term incentive (STI)** | **Long-term incentive (LTI)** |
| **PURPOSE AND ALIGNMENT** | | |
| Market competitive, to attract and retain key talent to Link Group. | To drive achievement of the short-term financial, strategic and operational objectives as agreed by the Board.<br><br>To support alignment to creation of sustainable shareholder value through deferral. | To reward and incentivise Executive KMP to drive the sustainable creation of shareholder value, within Link Group's prudent risk management framework. |
| **VALUE TO INDIVIDUAL DETERMINED BY** | | |
| Fixed remuneration is targeted around the median of the market. The market is defined around similar listed companies (based on revenue, comparable industries, and business size) in the country where the Executive is based.<br><br>Fixed remuneration may deviate from the market median depending on individual alignment to corporate values, experience, capabilities, performance, and location. | Operating NPATA gateway determines capacity to pay.<br><br>Awards based on Link Group and business unit financial performance and individual performance against specified KPIs.<br><br>KPIs include financial and pre-financial targets. Board discretion to moderate award for factors such as alignment to corporate values and prudent risk taking.<br><br>Stretch STI up to 150% of target based on stretch Operating NPATA targets. | Vesting is based on achievement of:<br><br>Operating earnings per share (EPS) performance against targets (75% of opportunity).<br><br>Total shareholder return (TSR) relative to constituents of a S&P/ASX index (25% of opportunity). |

1 Equity subject to a holding lock is generally forfeited if the employee resigns while the relevant holding lock is in place.

## EXECUTIVE KMP REMUNERATION IN FY2022

**What changes to Executive KMP remuneration have been made in FY2022?**

The Board reviewed FY2022 remuneration for the Executive KMP in the context of the scale, complexity and geographical reach of Link Group, and market benchmarking data.

As a result, Fixed Pay increased for Vivek Bhatia (Chief Executive Officer & Managing Director) and Dee McGrath (Chief Executive Officer, Retirement & Superannuation Solutions) to $1,400,000 and $670,000 respectively effective 1 October 2021. There were no changes to their STI and LTI target percentages. No other Executive KMP received a Fixed Pay increase in FY2022.

In FY2022, Dee McGrath and Andrew MacLachlan (Chief Financial Officer) received an equity grant as part of a retention scheme to retain key talent during a critical period for the Company where the CEO & Managing Director transitioned, and the Company dealt with the extraordinary demands of multi-transaction takeover related activity. They were awarded Link Group share rights in December 2021 equivalent to approximately 50% of their FY2021 Fixed Pay. The grant is subject to a service condition with 50% being delivered one year after being awarded and the remaining 50% two years after being awarded.

**How has the Board responded to the strike against the FY2021 Remuneration Report?**

The Board has responded to the key addressable shareholder concerns raised in relation to the FY2021 Remuneration Report and remains committed to aligning remuneration structures and decisions with sustainable shareholder value creation.

| Shareholder feedback | Board response |
|---|---|
| FY2021 STI gateway was considered to be low | The FY2022 Operating NPATA STI gateway, which is the minimum required to be met in order for any STI to be paid, was $99.9 million. This represents a $21.8 million (27.9%) increase on FY2021. The FY2022 target Operating NPATA, on which Executive KMP performance is assessed, was $117.5 million, a $4.3 million increase on the Operating NPATA result of FY2021. |
| FY2021 STI outcomes for the CEO & Managing Director and certain Executive KMP were considered to not be reflective of company performance | The FY2022 remuneration outcomes for the CEO & Managing Director and Executive KMP remuneration outcomes are considered appropriate relative to company performance and reflect the strong contributions made during a period of extraordinary takeover related activity. |
| More detailed information for Executive KMP performance information was requested | Additional information has been provided in relation to Executive KMP performance in section 2.2. The Performance Management framework was revised in FY2022 to focus the performance categories on the critical areas of Financial, Client/Customer and People. |

| | |
|---|---|
| **How is Link Group's performance reflected in FY2022 remuneration outcomes?** | In FY2022, Link Group achieved an Operating NPATA of $121.3 million exceeding the Operating NPATA Target of $117.5 million set by the Board as the financial metric in the STI program. The level of Operating NPATA performance in FY2022 is $8.1 million (7.1%) higher than the level of Operating NPATA performance in FY2021. This sound financial result and the achievement of pre-financial metrics results in STI awards being made to Executive KMP. Refer section 2.2 for further detail.<br><br>Executive KMP provided strong and consistent leadership to Link Group during a period of extraordinary demands of running and supporting the business units while attending to multi-transaction takeover related activity. The critical need to retain key executives and managers to support the business and the completion of the Dye & Durham transaction is reflected in the FY2022 remuneration outcomes and is aligned to the interests of shareholders.<br><br>The FY2020 long term incentive grant will be tested against the performance hurdles in October 2022 and the outcome will be advised to shareholders at or before the Annual General Meeting.<br><br>Further detail on performance outcomes is provided in Section 2.2. |
| **How is fixed remuneration determined and how is it positioned relative to the market?** | Fixed remuneration generally includes base salary, superannuation and may include non-monetary benefits.<br><br>Fixed remuneration is targeted around the median of the market. The market is defined as companies of similar size and/or industry in the country in which the Executive is based. Consideration is generally given to listed companies with market capitalisation 50% to 200% of Link Group's 12-month average market capitalisation. In markets where listed company data is not disclosed, market surveys are used and roles are compared against companies with revenue between 50% to 200% of Link Group's annualised revenue. This data was provided by external consultants in May 2021 and used a combination of information which is publicly available and data obtained through targeted market surveys. It enables a view to be formed on remuneration levels across the broader market.<br><br>Fixed remuneration is generally reviewed against the market annually, however, there is no guaranteed annual increase. |
| **What proportion of total target remuneration is 'at risk' and why is it considered appropriate for the business?** | Generally, target total remuneration is positioned between the median and 75th percentile of the market.<br><br>A significant portion of Executive KMP remuneration is 'at risk' subject to a combination of short and long-term performance hurdles. The 'at risk' components directly align executive pay with our strategic imperatives and shareholder value creation.<br><br>The proportion of total target remuneration 'at risk' for Executive KMP ranges from 55% to 71%. |
| **Is clawback available on 'at-risk' remuneration?** | The Board has the discretion to determine that a portion or all of an employee's unvested or vested STI and LTI awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award. |

**What was the target remuneration mix for each continuing Executive KMP for FY2022?**

| EXECUTIVE KMP | TOTAL FIXED REMUNERATION % | TARGET STI % | LTI GRANT % | TOTAL VARIABLE REMUNERATION % |
|---|---|---|---|---|
| Continuing Executive KMP | | | | |
| Vivek Bhatia | 29% | 28% | 43% | 71% |
| Antoinette Dunne | 45% | 33% | 22% | 55% |
| Paul Gardiner | 40% | 30% | 30% | 60% |
| Andrew MacLachlan | 40% | 30% | 30% | 60% |
| Dee McGrath | 45% | 33% | 22% | 55% |
| Karl Midl | 45% | 33% | 22% | 55% |

**What are the performance measures (including gateway) on the STI plan and how do they align with the business strategy?**

An Operating NPATA gateway must be met before any STI is awarded. The Operating NPATA gateway was $99.9 million, an increase of $21.8 million on the FY2021 gateway. The Board determines an annual Operating NPATA target as the Group financial metric for the STI scorecards. The Operating NPATA Target for FY2022 was $117.5 million, an increase of $4.3 million on the FY2021 Operating NPATA result.

Operating NPATA, which reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation and the after-tax impact of one-off significant items, is a key measure of success for our business and part of our growth strategy. Including Operating NPATA as a gateway supports affordability of the plan in a given year.

Payments made under the STI plan are subject to the achievement of a balanced scorecard of individual measures comprising both financial and pre-financial measures aligned to our strategic imperatives. The measures are derived from the goals set out in the Board approved strategic plan.

Measures vary by role and across financial years but broadly fall under the categories of Financial, Client / Customer and People. Further detail is included in Section 2.2.

The Board has discretion to moderate payment for factors such as alignment to corporate values, compliance and prudent risk taking.

**What is the target and maximum STI opportunity each Executive KMP can earn under the STI plan?**

The target STI opportunity for Executive KMP represents an opportunity to earn, on average, around 32% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration.

Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI. No Executive KMP achieved maximum STI in FY2022.

**What percentage of STI is deferred and for how long?**

Fifty percent of any STI awarded to the Executive KMP, including the CEO & Managing Director, will be deferred into Link shares or rights. The deferred shares or rights are subject to a holding lock, one half of which are deliverable after one year and the remainder after two years.

**How is the LTI aligned to the business strategy?**

The LTI Plan measures performance over a three-year period against Operating EPS targets (75%) and relative TSR performance targets (25%), with no re-testing. The Operating EPS measure aligns to the purpose of the LTI Plan to support our growth strategy and has strong alignment to sustainable shareholder value. Our key focus is on delivering sustainable earnings growth to our shareholders. The use of Operating EPS

| | |
|---|---|
| | as a performance measure is further reinforced by Link's growth strategy being underpinned by a disciplined approach to acquisition as well as organic growth in our existing businesses. This strategy requires dealing effectively with the inherent complexity in managing the acquisition pipeline and the need to integrate well and achieve synergies.<br><br>Link Group acknowledges that TSR performance relative to a basket of constituents is important to some investors. However, in the absence of a sizeable group of comparable industry peers, we also acknowledge that comparison to a broad group of S&P/ASX index constituents can give arbitrary results that are not reflective of the Company's performance. The lower weighting to TSR is reflective of this issue.<br><br>One-half of any vested award is available to the participant at the end of the performance period. The remaining vested award is subject to an additional holding lock, of which 50% is available after a further year and 50% after two years. The Board has determined that the combination of the three-year vesting period and subsequent two-year holding lock provides participants alignment to Link Group's long-term growth strategy.<br><br>The relative TSR component of the LTI granted in FY2022 is measured against 56 constituents of the S&P/ASX 100, excluding materials, utilities, industrials and energy companies. The Board retains discretion to make adjustments for any unintended remuneration outcomes arising from a relative TSR measure.<br><br>Further detail is included in Section 3.1. |
| **How are EPS targets determined?** | The Operating EPS targets in relation to LTI grants are set with reference to the Group's growth strategy. The macroeconomic environment, market and industry peer practice and stakeholder expectations are also considered. The target range set provides appropriate stretch to executives and achievement provides strong returns to shareholders.<br><br>For the purpose of the LTI, Operating EPS is calculated by dividing the Group's Operating NPATA by the undiluted weighted average number of shares on issue throughout the Performance Period. Operating NPATA reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation and the after-tax impact of one-off significant items. The Board has discretion to include or exclude items from the calculations. A reconciliation of the Operating NPATA to statutory NPAT is set out in Figure 2 of the Operating and Financial Review. |
| **What are the minimum shareholding requirements for Executive KMP? Have Executive KMP met the requirements?** | Executive KMP are required to hold a minimum shareholding of one year's fixed remuneration within five years of the date they are appointed as a KMP. Service based awards, including Deferred STI, Retention grants, and vested LTI subject to a holding lock count towards this requirement. All Executive KMP with five or more years in an Executive KMP role are in compliance with the minimum shareholding requirement. See Table 14 for further detail. |

NON-EXECUTIVE DIRECTOR REMUNERATION IN FY2022

| | |
|---|---|
| **Were there any changes to Non-Executive Director remuneration in FY2022?** | Non-Executive Director (NED) base fees were adjusted in FY2022 by 5%, following a suspension of fee increases in FY2020 and FY2021.<br><br>The Chair fee reflects a single payment, with no additional fees paid to the Chair for Committee work.<br><br>There were no changes to the NED fee pool in FY2022. |
| **What are the minimum shareholding requirements for Non-Executive Directors?** | NEDs are required to hold a minimum shareholding of one time the NED annual base fee (not including Committee membership or the higher fee for the Committee Chair) within three years after the date of their appointment. All NEDs are in compliance with the minimum shareholding requirement |

## 2. SUMMARY INFORMATION

### 2.1 Key Management Personnel

The names and titles of KMP are set out below. There have been no other changes to KMP following the end of the financial year.

| NAME | POSITION | STATUS | TERM AS KMP |
|---|---|---|---|
| **NON-EXECUTIVE DIRECTORS** | | | |
| **Michael Carapiet** | Independent Chair and Non-Executive Director | Full year | |
| **Glen Boreham, AM** | Independent Non-Executive Director | Full year | |
| **Andrew (Andy) Green, CBE** | Independent Non-Executive Director | Full year | |
| **Peeyush Gupta, AM** | Independent Non-Executive Director | Full year | |
| **Anne McDonald** | Independent Non-Executive Director | Full year | |
| **Sally Pitkin, AO** | Independent Non-Executive Director | Full year | |
| **Fiona Trafford-Walker** | Independent Non-Executive Director | Full year | |
| **CONTINUING EXECUTIVE KMP** | | | |
| **Vivek Bhatia** | Chief Executive Officer & Managing Director | Full year | |
| **Antoinette Dunne** | Chief Executive Officer, Banking & Credit Management | Full year | |
| **Paul Gardiner** | Chief Executive Officer, Corporate Markets | Full year | |
| **Andrew MacLachlan** | Chief Financial Officer | Full year | |
| **Dee McGrath** | Chief Executive Officer, Retirement & Superannuation Solutions | Full year | |
| **Karl Midl** | Chief Executive Officer, Fund Solutions | Part year | Commenced 1 February 2022 |
| **FORMER EXECUTIVE KMP** | | | |
| **Chris Addenbrooke** | Chief Executive Officer, Fund Solutions | Part year | Ceased 31 January 2022 |

## 2.2 FY2022 Overview – alignment between performance and Executive KMP remuneration

In FY2022, our Executive KMP remuneration consisted of fixed remuneration, short-term incentives (STIs) and a grant of Performance Share Rights (PSRs) under the LTI Plan. The short and long-term incentive plans align remuneration outcomes to Link Group's strategic objectives, and reward superior business performance and sustainable shareholder value creation. Given Link Group's financial and pre-financial measures were achieved including exceeding the Operating NPATA Target of $117.5m, STIs were paid to continuing Executive KMP in FY2022.

Tables 1, 2 and 3 provide further detail of our performance against our strategic goals in FY2022 and STI awarded, and table 4 details Company performance over five years.

For FY2022, Executive KMP performance has been contextualised by the financial performance, multi-transaction takeover related activity for the majority of the year, a volatile global economy and challenging employment conditions. Below is a summary of performance for FY2022 against goals set.

### Overall Performance

**Table 1: Overall FY2022 Performance against expectations**

| Financial | | Client / Customer | | People | | Overall |
|---|---|---|---|---|---|---|
| 50% weight | + | 30% weight | + | 20% weight | = | Group Performance |
| **Assessment** | | **Assessment** | | **Assessment** | | **Assessment** |
| Above Expectations | | Met Expectations | | Met Expectations | | Met Expectations |

| FY2022 focus areas | Performance commentary | Below Expectations | Met Expectations | Above Expectations |
|---|---|---|---|---|
| **Company Financial Performance** | • Link Group achieved an Operating NPATA of $121.3 million exceeding the Operating NPATA Target of $117.5 million by $3.8 million (3.2%). The level of Operating NPATA performance in FY2022 is $8.1 million (7.1%) higher than the level of Operating NPATA performance in FY2021;<br>• Cash dividends of 8.5 cents per share (100% franked) were paid to shareholders in FY2022 in line with guidance range;<br>• Global Transformation Program benefits of $77.9 million annualised exceeded the Target of $75 million by $2.9 million;<br>• Link Group successfully executed on a $102 million share buyback (out of $150 million guidance) which was suspended due to takeover activity. |  | | |
| **Divisional Finance Performance** | • Retirement & Superannuation Solutions (R&SS), Funds Solutions and Corporate Markets exceeded their Operating EBIT targets; Banking and Credit Management was below their target;<br>• Funds Solutions and Corporate Markets exceeded their Revenue Growth targets; Banking and Credit Management achieved their target and Retirement & Superannuation Solutions was slightly below target. |  | | |

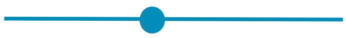
| FY2022 focus areas | Performance commentary | Below Expectations | Met Expectations | Above Expectations |
|---|---|---|---|---|
| **Client / customer outcomes** | • Key clients were retained, new clients were acquired and new products and services were implemented. Key highlights included:<br>- Successfully onboarded new clients in R&SS and developed pipeline for geographic expansion;<br>- Key client renewals in the UK and Australia in Corporate Markets;<br>- Link Group being the largest registrar by number of clients in the UK and ranked number 1 registrar in India by Prime Database for managing the highest number of mainboard IPOs and other transactions;<br>- Key clients retained in BCM, 4 new lenders were supported to enter the Buy to Let market in the Netherlands, and the First Home Scheme tender in Ireland was won;<br>- Key clients retained in Funds Solutions, the Casa4Funds acquisition in Luxembourg was completed and new clients won in the UK.<br>• Key governance objectives were achieved in FY2022 including meeting all required reporting deadlines, quarterly risk management reporting and execution of the Link Group corporate governance framework to drive good corporate governance in how we operate to create sustainable value for shareholders. |  | | |
| **People outcomes** | • Link Group recognises its people are paramount to the ongoing success of the business. In FY2022:<br>- Link Group launched its blended and flexible working approach, including providing appropriate equipment, empowering our people in relation to how and where they work;<br>- The India Hub expanded to over 1,000 employees with a second site opened in Pune;<br>- The wellbeing of our employees continues to be addressed through regular communications about mental health, supporting a diverse and inclusive culture through targeted programs;<br>- The global operating model was embedded;<br>- Voluntary turnover was 30%, driven by economic and market trends in one of the toughest employment markets; senior leader turnover was significantly lower and well within the target;<br>- A virtual careers offering was held to encourage employees to pursue their careers within Link Group;<br>- Diversity targets were exceeded with balanced gender participation achieved at management and ELT level (which has a 50/50 gender mix) and strong improvement at Senior Leader level;<br>- Link Group launched its domestic and family abuse policy, providing a range of support for employees who are experiencing domestic and family abuse, or who are providing care or support to a close relative who is experiencing domestic and family abuse;<br>- Link Group's global recognition program 'Appreciate' has been successfully embedded and continues to recognise employees living Link Group's values;<br>- Link Academy programs were enhanced with additional on-line training solutions provided to all employees and the SPARK frontline leaders program was rolled out globally. |  | | |

**Table 2: Performance of Executive KMP for FY2022**

| | Performance Commentary | Financial | Client / Customer | People | Overall |
|---|---|---|---|---|---|
| **Vivek Bhatia** | - Operating NPATA of $121.3 million exceeded Target of $117.5 million by $3.8 million (3.2%);<br>- Annualised Global Transformation Program benefits of $77.9 million exceeded Target of $75.0 million;<br>- Strategy developed with positive market feedback;<br>- Strategic priorities achieved and key clients retained while managing takeover activity;<br>- Diversity targets were exceeded, key initiatives implemented and while overall turnover target was not achieved, senior leader retention was high. | Above expectations | Met expectations | Met expectations | Met Expectations |
| **Antoinette Dunne** | - Operating EBIT of -$14.8 million was below Target of -$11.7 million;<br>- Revenue growth Target was achieved;<br>- Divestment activity of BCM was managed keeping the business stabilised during the process;<br>- Key clients across primary and secondary markets were retained;<br>- Three new lenders were supported to enter the Buy to Let market in the Netherlands, two new lenders were supported to enter the market by the UK Ipswich mortgage team and the First Home Scheme tender in Ireland was won;<br>- Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented. | Slightly below expectations | Met expectations | Met expectations | Met expectations |
| **Paul Gardiner** | - Operating EBIT of $65.7 million exceeded Target of $56.0 million;<br>- Revenue growth was above Target;<br>- Key clients were retained with improved product penetration across IPO clients;<br>- Corporate Markets is the largest registrar by number of clients in the UK and ranked number one Registrar in India by Prime Database for managing the highest number of mainboard IPOs and other transactions;<br>- Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented. | Above expectations | Met expectations | Met expectations | Above expectations |
| **Andrew MacLachlan** | - Operating NPATA of $121.3 million exceeded Target of $117.5 million;<br>- Capital Management Targets were achieved including executing on a $102 million share buyback (out of $150 million guidance) which was stopped due to takeover activity; debt facilities were refinanced;<br>- Total leverage ratio of 2.6 times was within guidance;<br>- Annualised Global Transformation Program benefits of $77.9 million exceed Target of $75.0 million;<br>- Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented. | Above expectations | Met expectations | Met expectations | Met expectations |

| | Performance Commentary | Financial | Client / Customer | People | Overall |
|---|---|---|---|---|---|
| **Dee McGrath** | - Operating EBIT of $105.9 million exceeded Target of $101.0 million;<br>- Revenue growth year on year, however was slightly below Target;<br>- New portfolios were onboarded, key clients were retained and service levels improved;<br>- Pipeline for geographic expansion was developed;<br>- New Retirement Platform solution for Australia developed;<br>- Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented. | Met expectations | Met expectations | Met expectations | Met expectations |
| **Karl Midl** | - Operating EBIT of $17.6 million exceeded Target of $11.6 million;<br>- Revenue growth was above Target;<br>- Key clients were retained, Casa4Funds acquisition was completed in Luxembourg and new clients were acquired in the UK;<br>- Diversity targets were exceeded, key senior leaders were retained, overall turnover target was not achieved, and key initiatives were implemented. | Above expectations | Met expectations | Met expectations | Met expectations |

**Table 3: STI amounts awarded**

| | STI TARGET $ | STI MAX $ | TOTAL STI PAYABLE $ | STI ACHIEVED (% OF MAXIMUM) | % OF MAXIMUM FORFEITED | STI TO BE PAID IN CASH $ |
|---|---|---|---|---|---|---|
| CONTINUING EXECUTIVE KMP | | | | | | |
| **Vivek Bhatia** | 1,400,000 | 2,100,000 | 1,372,000 | 65% | 35% | 686,000 |
| **Antoinette Dunne**[2] | 331,760 | 497,641 | 303,561 | 61% | 39% | 151,780 |
| **Paul Gardiner** | 502,500 | 753,750 | 542,700 | 72% | 28% | 271,350 |
| **Andrew MacLachlan** | 450,000 | 675,000 | 432,000 | 64% | 36% | 216,000 |
| **Dee McGrath** | 502,500 | 753,750 | 482,400 | 64% | 36% | 241,200 |
| **Karl Midl**[2,3] | 131,348 | 197,023 | 128,722 | 65% | 35% | 64,361 |

No FY2022 STI is payable to Former KMP

2 Antoinette Dunne is based in Ireland and Karl Midl is based in the UK, and accordingly they are remunerated in EUR and GBP respectively. Their STI Targets have been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2022.

3 STI Targets and STI payable for Karl Midl represent a pro-rata amount for his period as Executive KMP.

Table 4 outlines the financial performance of Link Group.

**Table 4: Five-year performance of Link Group**

| | | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| EPS | (cents) | **(13.14)** | (30.75) | (19.67) | 60.71 | 27.86 |
| Operating EBIT | ($millions) | **153.9** | 141.4 | 179.7 | 291.5 | 294.1 |
| Operating NPATA | ($millions) | **121.3** | 113.2 | 137.6 | 196.9 | 203.2 |
| Net Profit (loss) after tax | ($millions) | **(67.6)** | (162.7) | (102.5) | 324.1 | 139.8 |
| Change in share price to 30 June | ($) | **(1.25)** | 0.94 | (0.90) | (2.33) | (0.57) |
| Declared Dividends | (cents per share) | **3.0** | 10.00 | 19.00 | 20.50 | 20.50 |

Note: The Directors of the Company have not declared a 2022 final dividend. The proposed acquisition of Link Group by Dye & Durham Corporation ("Dye & Durham") permitted Link Group to pay a 2022 interim dividend of $0.03. The Scheme Implementation Deed permits up to $0.08 per share of the scheme consideration to be paid as a special dividend, should the Scheme be successfully implemented.

## Actual Remuneration Received[4]

Table 5 shows the actual cash remuneration paid to Continuing Executive KMP during FY2022 and FY2021 and deferred payments received.

**Table 5: Actual remuneration received in FY2022 and FY2021[5,6]**

Continuing Executive KMP

| | Year | FIXED REMUNERATION $ | CASH STI PAID[7] $ | DEFERRED STI REALISED $ | LTI REALISED $ | SERVICE BASED GRANTS REALISED[8] $ | TERMINATION BENEFITS $ | TOTAL REMUNERATION $ |
|---|---|---|---|---|---|---|---|---|
| **Vivek Bhatia** | **2022** | **1,465,692** | **942,500** | **-** | **-** | **-** | N/A | **2,408,192** |
| | 2021 | 907,359 | - | - | - | - | N/A | 907,359 |
| **Antoinette Dunne** | **2022** | **494,014** | **187,201** | **-** | **-** | **16,659** | **N/A** | **697,874** |
| | 2021 | 51,338 | - | - | - | - | N/A | 51,338 |
| **Paul Gardiner** | **2022** | **693,350** | **252,500** | **-** | **-** | **40,797** | **N/A** | **986,647** |
| | 2021 | 625,333 | - | - | - | - | N/A | 625,333 |
| **Andrew MacLachlan** | **2022** | **626,448** | **287,500** | **-** | **-** | **36,531** | **N/A** | **950,479** |
| | 2021 | 580,015 | - | - | - | - | N/A | 580,015 |
| **Dee McGrath[9]** | **2022** | **684,574** | **281,500** | **-** | **-** | **100,746** | **N/A** | **1,066,820** |
| | 2021 | 611,836 | - | - | - | 100,963 | N/A | 712,799 |
| **Karl Midl** | **2022** | **182,872** | **-** | **-** | **-** | **-** | **N/A** | **182,872** |
| | 2021 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

4 The above table represents non-statutory remuneration information. Remuneration elements are defined in the footnotes and are not subject to an audit in accordance with the Australian Accounting Standards.

5 Remuneration for KMP is included from the date they are designated as KMP until they cease as KMP. Vivek Bhatia commenced as KMP on 2 November 2020, Antoinette Dunne on 1 June 2021 and Karl Midl on 1 February 2022.

6 Antoinette Dunne is based in Ireland and Karl Midl is based in the UK, and accordingly they are remunerated in EUR and GBP respectively. Their remuneration has been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2022.

7 Cash STI paid refers to the portion of the FY2021 STI paid in cash in September 2021.

8 Service based grants realised include the vesting of half of the Special Equity Grant made in December 2020.

9 Dee McGrath was issued with shares on commencement. The amount included under service based grants realised includes 19,774 in FY2021 and 12,278 in FY2022 which were released from a holding lock. The remainder of the shares are held under a holding lock.

## 2.3 Executive KMP statutory remuneration table

Table 6 presents the remuneration for Executive KMP for FY2022 and comparative information for FY2021. The information presented in Table 6 has been prepared in accordance with the Australian Accounting Standards and accordingly differs from the information presented in the actual remuneration received in Table 5 in Section 2.2.

**Table 6: Executive KMP statutory remuneration**

| | | | | SHORT-TERM BENEFITS | POST-EMPLOYMENT BENEFITS | OTHER LONG-TERM BENEFITS | | EQUITY BASED PAYMENTS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NAME | YEAR | SALARY AND FEES $ | CASH STI $ | OTHER BENEFITS[10] $ | SUPER-ANNUATION BENEFITS $ | LONG SERVICE LEAVE $ | TERMINATION BENEFITS $ | LTI $ | SERVICE BASED GRANTS $ | DEFERRED STI[11,12] $ | TOTAL $ | % OF REMUNERATION RELATED TO PERFORM-ANCE | VALUE OF PSRS AS A % OF REMUNERATION |
| **CONTINUING EXECUTIVE KMP[13,14]** | | | | | | | | | | | | | |
| Vivek Bhatia | 2022 | 1,442,124 | 686,000 | 13,869 | 23,568 | 3,153 | - | 1,039,857 | 554,011 | 758,570 | 4,521,152 | 32% | 23% |
| | 2021 | 892,896 | 942,500 | 8,615 | 14,463 | 787 | - | 422,538 | 368,835 | 392,708 | 3,043,342 | 44% | 14% |
| Antoinette Dunne | 2022 | 470,632 | 151,780 | 24,941 | 23,382 | - | - | 81,182 | 15,043 | 113,110 | 880,070 | 30% | 9% |
| | 2021 | 49,365 | 14,355 | 2,105 | 1,973 | - | - | 1,296 | 2,120 | 5,980 | 77,194 | 26% | 2% |
| Paul Gardiner | 2022 | 669,782 | 271,350 | 12,862 | 23,568 | 12,104 | - | 244,004 | 236,837 | 239,707 | 1,710,214 | 30% | 14% |
| | 2021 | 603,639 | 252,500 | 12,409 | 21,694 | 12,094 | - | 92,328 | 170,587 | 105,208 | 1,270,459 | 28% | 7% |
| Andrew MacLachlan | 2022 | 598,948 | 216,000 | 14,005 | 27,500 | 10,840 | - | 218,509 | 177,611 | 234,201 | 1,497,614 | 30% | 15% |
| | 2021 | 555,015 | 287,500 | 12,673 | 25,000 | 10,840 | - | 77,720 | 32,542 | 119,791 | 1,121,081 | 36% | 7% |
| Dee McGrath | 2022 | 661,006 | 241,200 | 9,277 | 23,568 | 9,954 | - | 159,013 | 208,866 | 241,694 | 1,554,578 | 31% | 10% |
| | 2021 | 590,142 | 281,500 | 8,791 | 21,694 | 2,165 | - | 70,540 | 112,856 | 117,290 | 1,204,978 | 33% | 6% |
| Karl Midl | 2022 | 173,841 | 64,361 | 12,967 | 9,031 | - | - | 30,814 | 87,731 | 81,746 | 460,491 | 32% | 7% |
| | 2021 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

10 Other benefits include a car allowance for Karl Midl and Antoinette Dunne and car parking for other Executive KMP.

11 Deferred STI shares awarded in respect of FY2021 are subject to service conditions and a holding lock. Fifty percent will vest subject to continued service after one year, fifty percent will vest subject to continued service at the end of the second year.

12 Deferred STI for 2021 has been restated to reflect the amortisation of the FY2021 STI expense over the performance and vesting period.

13 Karl Midl and Chris Addenbrooke are based in the UK and accordingly are remunerated in GBP. Antoinette Dunne is based in Ireland and remunerated in EUR. Remuneration has been converted to AUD using the prevailing exchange rates that were used to prepare the financial statements for FY2022.

14 Vivek Bhatia commenced as KMP on 2 November 2020, Antoinette Dunne on 1 June 2021 and Karl Midl on 1 February 2022.

| | YEAR | SALARY AND FEES $ | CASH STI $ | SHORT-TERM BENEFITS<br>OTHER BENEFITS $ | POST-EMPLOYMENT BENEFITS<br>SUPER-ANNUATION BENEFITS $ | OTHER LONG-TERM BENEFITS<br>LONG SERVICE LEAVE $ | TERMINATION BENEFITS $ | EQUITY BASED PAYMENTS<br>LTI $ | EQUITY BASED PAYMENTS<br>SERVICE BASED GRANTS $ | EQUITY BASED PAYMENTS<br>DEFERRED STI[15][16] $ | TOTAL $ | % OF REMUNERATION RELATED TO PERFORM-ANCE | VALUE OF PSRS AS A % OF REMUNERATION |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EXECUTIVES THAT CEASED TO BE KMP** | | | | | | | | | | | | | |
| **Chris Addenbrooke[17]** | **2022** | **260,964** | **-** | **21,684** | **13,735** | **-** | **-** | **139,923** | **130,562** | **131,754** | **698,622** | **19%** | **20%** |
| | 2021 | 435,135 | 262,675 | 35,501 | 21,294 | - | - | 66,529 | 25,166 | 109,446 | 955,746 | 39% | 7% |
| **Total** | **2022** | **4,277,297** | **1,630,691** | **109,605** | **144,352** | **36,051** | **-** | **1,913,302** | **1,410,661** | **1,800,782** | **11,322,741** | **30%** | **17%** |
| | 2021 | 3,126,192 | 2,041,030 | 80,094 | 106,118 | 25,886 | - | 730,951 | 712,106 | 850,423 | 7,672,800 | 38% | 10% |

15 Deferred STI shares awarded are subject to service conditions and a holding lock. 50% will vest subject to continued service after one year, 50% will vest subject to continued service at the end of the second year.

16 Deferred STI for 2021 has been restated to reflect the amortisation of the FY2021 STI expense over the performance and vesting period.

17 Chris Addenbrooke ceased as an Executive KMP on 31 January 2022.

## 3. DETAILED REMUNERATION INFORMATION

### 3.1 Detail of Executive KMP remuneration framework

Table 7 outlines the detail of the FY2022 STI and LTI arrangements.

**Table 7: FY2022 approach**

| STI | |
|---|---|
| **Opportunity** | Any STI awarded is subject to the achievement of annual targets.<br>The target STI opportunity for Executive KMP represents an opportunity to earn on average around 32% of total target remuneration. Target STI ranges from 75% to 100% of fixed remuneration.<br>Executive KMP have the opportunity to earn up to 150% of their target STI where the Operating NPATA is 110% of budget. This represents the maximum STI. A sliding scale applies between 100% and 110% achievement of the Operating NPATA target to determine the STI pool accrual. The actual STI pool as well as the quantum of an individual KMP's STI is performance based and subject to Board discretion.<br>50% of any STI paid is delivered as cash with the remaining 50% awarded in the form of Link Group shares or rights with a holding lock of up to two years. |
| **Gateway** | A minimum level of Operating NPATA must be achieved before any STI is paid. This level is set by the Board annually once the Budget is approved.<br>In FY2022, the STI Gateway Operating NPATA target for Executive KMP was $99.9 million representing a $21.8m (27.9%) increase on FY2021.<br>As the STI gateway target was exceeded, Executive KMP were eligible to be considered to receive a STI payment in FY2022. The FY2022 financial and pre-financial measures were achieved including the Operating NPATA Target of $117.5m being exceeded and as a result, continuing Executive KMP will be paid a STI. |
| **Performance measures** | Allocation of the STI is by achievement of a balanced scorecard of relevant corporate, business unit (where relevant) and individual measures aligned to our strategic objectives comprising a combination of Operating NPATA, business Operating EBIT and individual strategic goals. Goals vary by role and across financial years but broadly fall under the categories of Company Financial Performance, Divisional Financial Performance, Client / Customer and People.<br>In providing a final assessment of performance against goals, the Board may use its discretion as detailed below. For FY2022, the weighting of financial (which includes Operating NPATA, Operating EBIT and Revenue Growth) to pre-financial goals (Client / Customer and People goals) was 50%/50% for the CEO & Managing Director and other Executive KMP. Further detail is provided in Section 2.2. |
| **STI Deferral** | In FY2022, deferral of 50% of any earned STI into equity was mandated for Executive KMPs. Deferral is into Link Group shares or rights which are subject to a holding lock for a period of up to two years.<br>The use of shares or rights is determined based on tax treatment in the country of issue. |
| **Board Discretion** | In reviewing the final assessment of annual performance against KPIs and STI awarded, the Board may in its discretion take into consideration:<br>• company, business unit and individual performance;<br>• external market factors;<br>• alignment to Link Group's core values and behaviours;<br>• internal and external stakeholder relationship management;<br>• prudent risk taking; and<br>• the impact of circumstances, either positive or negative, that arise through the year such as an acquisition or disposal event, fraud, information security or privacy breach, reputational damage, client wins or losses, and any other events it deems relevant. |

| | |
|---|---|
| | The Board endeavours to apply discretion fairly and consistently and considers the use of discretion in the awards of STI to Executive KMP based on:<br>• Link Group and relevant Business Unit performance;<br>• results of individual ELT performance reviews which are based on weighted KPIs set at the commencement of the year, and includes an assessment in relation to behaviours and risk management; and<br>• input from the Risk Committee Chair and Chief Risk Officer on risk and compliance factors including:<br>○ deliberate and/or repeated inadvertent breaches of laws, regulations, or group policies;<br>○ failure to obtain pre-approval for trading in Link Group shares;<br>○ mandatory training completion rate;<br>○ high or critical risk incidents and/or audit items remaining open for more than six (6) months and with no action plan to address them;<br>○ upheld employee grievances or whistleblowing matters and any disciplinary actions; and<br>○ qualitative assessment on embedding a culture of good risk management. |
| **Clawback** | The Board has the discretion to determine that a portion or all of an employee's unvested or vested short-term incentive (STI) and long-term incentive (LTI) awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which circumstances, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award. No Board discretion in relation to clawback was applied in FY2022. |
| **Termination** | The Board has the discretion to determine the treatment of deferred STI in the event an Executive KMP ceases employment during the vesting period. |
| **LTI – OMNIBUS EQUITY PLAN** | |
| **Award vehicle** | Awards are delivered in the form of PSRs. No dividends are paid during the performance period. Participants are entitled to receive dividends and to exercise voting rights attaching to those shares post-vesting while the shares are subject to the holding lock.<br>A cash-settled alternative (through the issue of indeterminate rights) is included in the Omnibus Equity Plan. |
| **Opportunity** | The maximum grant value of LTI opportunities represents 22% to 45% of the total target remuneration package for continuing Executive KMP, or 50% to 150% of fixed remuneration.<br>The number of performance rights granted is determined based on the opportunity available to each participant divided by the five trading day VWAMP for Link Group shares from the date of announcement of Link Group's full year results. |
| **Performance measures** | The following performance measures apply for FY2022 grants under the LTI:<br>• Operating EPS (75%) – EPS is calculated by dividing Link Group's Operating NPATA by the undiluted weighted average number of shares on issue throughout the performance period. The Board has discretion to include or exclude items from the calculations. Franking credits are excluded from the calculations. Operating NPATA is a measure consistently used internally and by which both Management and the market tracks Link Group's performance. Operating NPATA reflects the underlying earnings of the business and excludes the impact of non-cash acquired amortisation as well as the after-tax impact of one off significant items. While an internal measure, it receives assurance at each level within the business. The use of Operating EPS as a performance measure reinforces Link's growth strategy which is underpinned by a disciplined approach to acquisitions as well as organic growth in our existing businesses. This strategy requires dealing effectively with the inherent complexity in managing an acquisitions pipeline and the need to integrate well and achieve synergies. PSRs are subject to a compound annual growth rate in EPS of between a threshold target of 5% and a stretch target of 10%. This target range provides appropriate stretch to executives, is competitive against the ranges set by industry peers and achievement should result in strong returns to shareholders. |

| | |
|---|---|
| | Our key focus is on delivering earnings growth to our shareholders. The Operating EPS measure strongly supports the aim of the LTI principles in supporting our growth strategy.<br>• TSR (25%) – relative to the constituents of the S&P/ASX 100, excluding materials, utilities, industrials and energy companies. Our starting comparator group, before consideration of any corporate actions during the vesting period, is 56 companies for the FY2022 grant.<br>TSR takes into account the change in Link Group's share price over the relevant performance period, as well as the dividends paid (dividends are assumed to be reinvested in Link Group shares).<br>Link Group acknowledges that TSR performance relative to a basket of constituents is important to some investors. However, in the absence of a sizeable group of comparable industry peers, we also acknowledge that comparison to a broad S&P/ASX index constituents group can give arbitrary results that are not reflective of the Company's performance. The lower weighting on TSR is reflective of this. |
| **Vesting schedule** | The vesting schedule for the EPS portion is as follows: |

| EPS PERFORMANCE OUTCOME | PERCENTAGE OF PERFORMANCE RIGHTS THAT WILL VEST |
|---|---|
| Compound annual growth rate of less than 5% | 0% |
| Compound annual growth rate of 5% | 50% |
| Compound annual growth rate between 5% and 10% | Pro-rata between 50% and 100% |
| Compound annual growth rate of 10% or more | 100% |

The vesting schedule for the TSR portion is as follows:

| LINK GROUP'S RELATIVE TSR RANKING | PERCENTAGE OF PERFORMANCE RIGHTS THAT WILL VEST |
|---|---|
| Link Group ranks below the 50th percentile | 0% |
| Link Group ranks at the 50th percentile | 50% |
| Link Group ranks between the 50th and 75th percentile | Pro-rata between 50% (at 50th percentile) and 100% (at 75th percentile) |
| Link Group ranks at or above the 75th percentile | 100% |

| | |
|---|---|
| **Transaction impact** | As a framework for assessing the treatment of transactions, the Board uses a number of principles against which to assess the impact of a transaction on the LTI:<br>1. preserve the value of the awards held by employees;<br>2. reward for the success of the transaction;<br>3. maintain the level of stretch expected when the original targets were set;<br>4. be consistent with general market/shareholder expectations; and<br>5. maintain the integrity of each year's remuneration as awarded.<br>Each transaction is assessed against these criteria on a case by case basis. |
| **Performance period and holding lock** | Performance is measured over a three-year period. Awards lapse at the end of three years to the extent performance measures are not met. There is no retesting of awards.<br>One-half of any vested award is available to the participant at the end of the performance period. A holding lock applies to the remaining 50%; one-half of which is then available after a further one and two years respectively. Shares are delivered upon PSRs vesting and are held by a trustee while the holding lock applies. |
| **Clawback** | Under the Omnibus Equity Plan, the Board has the discretion to determine that a portion or all of an employee's unvested or vested short-term incentive (STI) and long-term incentive (LTI) awards be forfeited if, in the Board's opinion, adverse circumstances affecting the performance, reputation or risk profile of Link Group have come to the Board's attention which circumstances, had they been known at the time when the STI or LTI was made, would have caused the Board to make a different award or no award. |

| | |
|---|---|
| **Termination** | In the event of a cessation of employment for a 'qualifying reason' (for example, death, serious injury, disability or illness, genuine retirement or retrenchment), equity will be retained 'on-foot' and will be tested against performance hurdles at the original vesting date alongside other participants, having regard to the portion of the performance period served, unless otherwise determined by the Board. |
| **Change of control** | The Board has the discretion to vest outstanding awards taking into account the portion of the vesting period and performance against hurdles at the time of the change of control and any replacement equity offered by third parties. |
| **Treatment of dividends** | Participants are not eligible to receive dividends on PSRs until rights are vested and converted into shares. Dividends apply to shares subject to a holding lock. |
| **Hedging policy** | Executive KMP are not permitted to hedge unvested award nor awards subject to a holding lock. |
| **Minimum Shareholding Requirement** | Executive KMP are required to hold a minimum of one year's annual fixed remuneration within five years of the date that they are appointed as a KMP. Deferred STI, service based awards and vested LTI subject to a holding lock count towards this requirement. |

## 3.2 Key terms of employment contracts

The key employment terms for the Executive KMP are summarised in Table 8. All Executive KMP have continuing contracts.

**Table 8: Employment terms**

| | ANNUAL LEAVE ENTITLEMENT | NOTICE PERIOD COMPANY AND EMPLOYEE |
|---|---|---|
| **CONTINUING EXECUTIVE KMP** | | |
| **Vivek Bhatia** | 20 days | 12 months |
| **Antoinette Dunne** | 27 days | 6 months |
| **Paul Gardiner** | 20 days | 12 months |
| **Andrew MacLachlan** | 20 days | 12 months |
| **Dee McGrath** | 20 days | 6 months |
| **Karl Midl** | 27 days | 6 months |

All employment contracts contain:

- total remuneration packages (including mandatory superannuation or pension contributions), plus car parking and any related FBT liability (where applicable) as a discretionary benefit that can be removed at any time; and
- express provisions protecting Link Group's confidential information and intellectual property; and post-employment restrictions covering non-competition, non-solicitation of clients and non-poaching of employees for a maximum of 12 months.

Under the terms of all employment contracts, either party is entitled to terminate employment by giving written notice in accordance with the relevant contract notice period. Link Group may, at its election, make a payment in lieu of that notice based on the Executive KMP's base remuneration package.

Link Group may also terminate employment immediately and without further payment where the employee commits serious misconduct and on other similar grounds.

Any termination payments are paid within applicable legislative requirements.

## 3.3 Non-Executive Director fees and statutory remuneration table

### Non-Executive Director fee policy

The pool for payment of Non-Executive Directors' (NED) fees is capped by the Company at $2 million per annum. NED fees are set with reference to relevant market data. The Board reviews fees annually and seeks benchmarking data using the same comparator groups used for the Executive KMP, being Australian-listed companies of similar size and/or industry. Consideration is given to S&P/ASX 200 entities with market capitalisation 50% to 200% of Link Group's 12-month average market capitalisation and specific peer companies. The Board also reviews NED remuneration with reference to the scale, complexity and geographical reach of Link Group.

NEDs receive an annual fee for Board membership and for service as the Chair or a Member of Board Committees. The Chair of the Board does not receive any fees for serving as a Member of Board Committees and NEDs do not receive fees for serving on the Nominations Committee. NEDs are eligible to receive a travel allowance for overseas board meetings. In FY2022, Michael Carapiet received an allowance for takeover related international travel and UK-based Andy Green received a travel allowance for his return trips to Australia. NEDs do not participate in any variable or incentive plans and do not receive retirement benefits other than superannuation.

**Table 9: Non-Executive Director fees [18]**

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | CHAIR FEE $ | MEMBER FEE $ | CHAIR FEE $ | MEMBER FEE $ |
| **Base fees** | 383,880 | 176,505 | 365,600 | 168,100 |
| **Committee fees** | | | | |
| Risk Committee | 32,000 | 16,000 | 32,000 | 16,000 |
| Audit Committee | 32,000 | 16,000 | 32,000 | 16,000 |
| Human Resources and Remuneration Committee | 32,000 | 16,000 | 32,000 | 16,000 |
| Technology and Transformation Committee | 32,000 | 16,000 | 32,000 | 16,000 |
| Nomination Committee | – | – | – | – |

18 Amounts are exclusive of GST and inclusive of any required superannuation payments (where applicable).

Fees paid to NEDs during FY2022 and FY2021 were:

**Table 10: Statutory remuneration for Non-Executive Directors**

| NAME | YEAR | FEES[19] $ | SUPERANNUATION BENEFITS $ | TOTAL $ |
|---|---|---|---|---|
| **Michael Carapiet** | **2022** | **472,327** | **-** | **472,327** |
| | 2021 | 388,716 | - | 388,716 |
| **Glen Boreham, AM** | **2022** | **263,798** | **-** | **263,798** |
| | 2021 | 252,124 | - | 252,124 |
| **Andrew (Andy) Green, CBE[20]** | **2022** | **316,433** | **-** | **316,433** |
| | 2021 | 261,820 | - | 261,820 |
| **Peeyush Gupta, AM** | **2022** | **189,550** | **18,955** | **208,505** |
| | 2021 | 170,557 | 16,203 | 186,760 |
| **Anne McDonald** | **2022** | **189,550** | **18,955** | **208,505** |
| | 2021 | 203,096 | 17,286 | 220,382 |
| **Sally Pitkin, AO** | **2022** | **263,728** | **-** | **263,728** |
| | 2021 | 235,996 | - | 235,996 |
| **Fiona Trafford-Walker** | **2022** | **224,505** | **-** | **224,505** |
| | 2021 | 202,203 | - | 202,203 |
| **Total** | **2022** | **1,919,891** | **37,910** | **1,957,801** |
| | **2021** | **1,714,512** | **33,489** | **1,748,001** |

## Minimum shareholding requirements

The Board has adopted a Minimum Shareholding Policy to assist in aligning the interests of all Directors with our shareholders. Each NED must hold a minimum number of shares, equivalent to one times the NED annual base fee (not including Committee membership or the higher fee for the Committee Chair). The minimum shareholding requirement must be met within three years after the date of their appointment. At the time of publication of this Report, all NEDs with three or more years' service are in compliance with the minimum shareholding requirements.

19 NEDs who participated in Special Purpose Committees relating to Link Group takeover activity were paid Special Exertion Fees. There were 23 meetings in FY2022 and the fee for Michael Carapiet was $78,447, plus an allowance of $10,000 for takeover related international travel. The fee for each of Glen Boreham, Sally Pitkin and Andy Green was $39,223.

20 Andy Green is based in the UK and accordingly is remunerated in GBP. His annual fee for serving as a Director of the Company is £107,625. In addition, he receives a travel allowance of £5,575 for each return trip to Australia to attend Board meetings.

## 3.4 Remuneration governance

The Human Resources and Remuneration Committee (the Committee) assists the Board with oversight of Link Group's human resources and remuneration strategies and supporting policies and practices for our employees and NEDs and monitoring the implementation and effectiveness of the strategy, policies and practices.

Figure 2 outlines the relationship between the Board, Committee, Management and external advisors. The Committee comprises independent NEDs appointed by the Board.

**Figure 2**

**BOARD**

- Oversees Non-Executive Director and Executive KMP remuneration and remuneration policies;
- With assistance of the Human Resources and Remuneration Committee (HRRC):
  - Monitors performance of the Managing Director and Senior Executives; and
  - Reviews alignment of remuneration policies with the Company's purpose, values, strategic objectives and risk appetite; and
- Reviews and approves recommendation from HRRC.

**HUMAN RESOURCES AND REMUNERATION COMMITTEE**

Is responsible for reviewing:

- Alignment of remuneration policies and practices with the human resources strategy, the company's purpose, values, strategic objectives and risk appetite;
- Attraction and retention of capable and committed employees and Directors; and
- Alignment of Executive KMP remuneration to sustainable shareholder returns, and Link Group's strategic and operational imperatives.

**THE COMMITTEE:**

- Makes recommendations to the Board on Link Group's remuneration strategy and framework;
- Makes recommendations on NED remuneration;
- Makes recommendations to the Board on Executive KMP KPIs, performance and remuneration;
- Reviews and recommends to the Board Executive KMPs' terms of employment; and
- Considers recommendation from Management

**EXTERNAL ADVISORS**

- Provide independent advice to the Committee and / or Management on remuneration market data, market practice and other remuneration related matters; and
- Provide independent advice to the Committee on Management proposals.

**RISK COMMITTEE**

- Confirm people and culture related risks are regularly monitored and controls are reviewed and integrated into the Company's Risk Management Framework; and
- Provide a risk related perspective on policies and frameworks for Executive KMP remuneration and awarding of Executive KMP incentives.

**MANAGEMENT**

Makes recommendations to the Committee on Link Group's remuneration strategy and framework.

During FY2022, no remuneration recommendations were provided by any external advisors.

## 3.5 Additional required disclosures

Table 11 outlines the grant of PSRs for Continuing Executive KMP in FY2022.

**Table 11: FY2022 Grant of PSRs to Continuing Executive KMP**

| | TOTAL NUMBER OF PSRS AS AT 1 JULY 2021[21] | PSRS GRANTED IN FY2022 | GRANT DATE | EXERCISE PRICE FOR PSRS GRANTED IN FY2022 | FAIR VALUE OF PSRS GRANTED IN FY2022 | | TOTAL NUMBER OF PSRS VESTED DURING THE YEAR | TOTAL NUMBER OF PSRS FORFEITED /LAPSED OR EXPIRED DURING THE YEAR[22] | TOTAL NUMBER OF PSRS AS AT 30 JUNE 2022 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | EPS $ | TSR $ | | | |
| **CONTINUING EXECUTIVE KMP** | | | | | | | | | |
| **Vivek Bhatia** | 482,649 | 469,368 | 2 Dec 2021 | Nil | 4.46 | 2.49 | - | - | 952,017 |
| **Antoinette Dunne** | 48,062 | 54,065 | 2 Dec 2021 | Nil | 4.46 | 2.49 | - | 9,439 | 92,688 |
| **Paul Gardiner** | 280,414 | 112,313 | 2 Dec 2021 | Nil | 4.46 | 2.49 | - | 63,873 | 328,854 |
| **Andrew MacLachlan** | 238,582 | 100,578 | 2 Dec 2021 | Nil | 4.46 | 2.49 | - | 44,665 | 294,495 |
| **Dee McGrath** | 134,664 | 74,875 | 2 Dec 2021 | Nil | 4.46 | 2.49 | - | - | 209,539 |
| **Karl Midl[23]** | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 87,577 |

Vesting of all PSRs granted during FY2022 is subject to a performance period from 1 July 2021 to 30 June 2024. 50% of any PSRs that vest is delivered with the remaining 50% subject to a holding lock of up to two years.

21 LTI granted prior to FY2021 had an EPS target compound annual growth rate ranging from 7%, with maximum being achieved at 12%.

22 PSRs lapsed relate to the FY2019 LTI plan where performance hurdles were not deemed to have been met.

23 Karl Midl began as KMP from 1 February 2022 and there have been no PSRs granted following this date, hence this is showing as N/A.

Table 12 details the shares or rights allocated that are subject to service conditions only

**Table 12: Equity granted as Service based only**

| | SERVICE BASED GRANTS AS AT 1 JULY 2021[24] | GRANT DATE[25] | SERVICE BASED GRANTS GRANTED IN FY2022 | EXPIRY DATE FOR SERVICE BASED GRANTS GRANTED IN FY2022[26] | EXERCISE PRICE FOR SERVICE BASED GRANTS GRANTED IN FY2022 | FAIR VALUE OF SERVICE BASED GRANTS GRANTED IN FY2022 $ | TOTAL NUMBER OF SERVICE BASED GRANTS VESTED DURING THE YEAR[27] | TOTAL NUMBER OF UNVESTED SERVICE BASED GRANTS AS AT 30 JUNE 2022 |
|---|---|---|---|---|---|---|---|---|
| CONTINUING EXECUTIVE KMP | | | | | | | | |
| **Vivek Bhatia** | 279,457 | N/A | - | N/A | N/A | N/A | - | 279,457 |
| **Antoinette Dunne** | 6,772 | N/A | - | N/A | N/A | N/A | 3,386 | 3,386 |
| **Paul Gardiner** | 115,588 | N/A | - | N/A | N/A | N/A | 8,292 | 107,296 |
| **Andrew MacLachlan** | 14,850 | 2 Dec 2021 | 67,052 | 2 Dec 2023 | Nil | 4.93 | 7,425 | 74,477 |
| **Dee McGrath** | 35,567 | 2 Dec 2021 | 69,287 | 2 Dec 2023 | Nil | 4.93 | 20,013 | 84,841 |
| **Karl Midl[28]** | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 42,433 |

Table 13 details the shares and rights allocated as part of the Deferred STI program

**Table 13: Equity granted as under the Deferred STI program**

| | DEFERRED STI AS AT 1 JULY 2021 | INSTRUMENT | GRANT DATE | DEFERRED STI GRANTED IN FY2022 | EXPIRY DATE FOR DEFERRED STI GRANTED IN FY2022[29] | EXERCISE PRICE FOR DEFERRED STI GRANTED IN FY2022 | FAIR VALUE OF DEFERRED STI GRANTED IN FY2022 | TOTAL NUMBER OF DEFERRED STI VESTED DURING THE YEAR | TOTAL NUMBER OF DEFERRED STI AS AT 30 JUNE 2022 |
|---|---|---|---|---|---|---|---|---|---|
| CONTINUING EXECUTIVE KMP | | | | | | | | | |
| **Vivek Bhatia** | - | Restricted shares | 2 Dec 2021 | 210,656 | 31 Aug 2023 | Nil | 4.93 | - | 210,656 |
| **Antoinette Dunne** | - | Share rights | 2 Dec 2021 | 13,594 | 31 Aug 2023 | Nil | 4.93 | - | 13,594 |
| **Paul Gardiner** | - | Restricted shares | 2 Dec 2021 | 56,435 | 31 Aug 2023 | Nil | 4.93 | - | 56,435 |
| **Andrew MacLachlan** | - | Restricted shares | 2 Dec 2021 | 64,258 | 31 Aug 2023 | Nil | 4.93 | - | 64,258 |
| **Dee McGrath** | - | Restricted shares | 2 Dec 2021 | 62,917 | 31 Aug 2023 | Nil | 4.93 | - | 62,917 |
| **Karl Midl[30]** | N/A | Share rights | N/A | N/A | N/A | N/A | N/A | N/A | 13,343 |

24 Service based grants at 1 July 2021 include previously allocated sign on, special equity and retention grants. The balance for Vivek Bhatia relates to sign on shares with a vesting date of 21 September 2022. Special equity grant shares or rights were awarded in December 2020 to all Executive KMP at that time (excluding the CEO & Managing Director) to recognise their contribution to agreeing to this temporary pay reduction and to support their retention. The award value at grant for Executive KMP was equivalent to the actual Fixed Pay reduction and is subject to a service condition with 50% being delivered one year after being awarded and the remaining 50% after two years.

25 Share rights were awarded to Andrew MacLachlan and Dee McGrath.

26 The expiry dates listed reflect the final vesting dates of the retention awards granted in FY2022, although fifty percent will be delivered in December 2022, and the remaining fifty percent in December 2023.

27 Fifty percent of the special Equity Grant award was delivered on 1 December 2021.

28 Karl Midl began as KMP from 1 February 2022 and there have been no Service based grants made following this date, hence showing N/A. The closing balance includes share rights and restricted shares.

29 The expiry dates listed reflect the final vesting dates of the Deferred STI granted in relation to FY2021 STI in December 2021, and fifty percent will be delivered in August 2022, and the remaining fifty percent in August 2023.

30 29 Karl Midl began as KMP from 1 February 2022 and there has been no Deferred STI grants made following this date, hence showing N/A.

## Movements in shareholdings

The movement during the reporting period in the number of ordinary shares in Link Administration Holdings Limited held, directly, indirectly or beneficially, by each NED and Executive KMP, including their related parties, is set out in Table 14.

**Table 14: Shareholding movement and minimum shareholding status[31]**

| | BALANCE AT 1 JULY 2021 | RECEIVED ON EXERCISE OF OPTIONS/ RIGHTS | PURCHASED/ ACQUIRED | DISPOSED[32] | BALANCE AT 30 JUNE 2022 | MINIMUM SHAREHOLD-ING STATUS |
|---|---|---|---|---|---|---|
| Michael Carapiet | 1,967,160 | - | 125,000 | - | 2,092,160 | Met |
| Glen Boreham, AM | 122,720 | - | 1,494 | - | 124,214 | Met |
| Andrew (Andy) Green, CBE | 26,030 | - | | - | 26,030 | Met |
| Peeyush Gupta, AM | 47,581 | - | 579 | - | 48,160 | Met |
| Anne McDonald | 33,149 | - | 190 | - | 33,339 | Met |
| Sally Pitkin, AO | 85,517 | - | | - | 85,517 | Met |
| Fiona Trafford-Walker | 31,742 | - | 386 | - | 32,128 | Met |
| Vivek Bhatia | 279,457 | - | 210,656 | - | 490,113 | Met |
| Antoinette Dunne | 0 | 3,386 | - | - | 3,386 | N/A |
| Paul Gardiner | 893,646 | - | 56,435 | - | 950,081 | Met |
| Andrew MacLachlan | 110,982 | - | 64,258 | - | 175,240 | Met |
| Dee McGrath | 80,794 | - | 62,917 | - | 143,711 | Met |
| Karl Midl[33] | N/A | | - | N/A | 5,074 | N/A |
| FORMER EXECUTIVE KMP | | | | | | |
| Chris Addenbrooke | 59,525 | - | - | 2,706 | N/A | N/A |

## Loans to Key Management Personnel and their related parties

There were no loans to Executive KMP during the year.

## Other transactions with Key Management Personnel

A number of Link Group's NEDs are directors of other entities, which will, from time to time, transact with Link Group. The terms and conditions of the transactions with these entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel-related entities on an arm's length basis. Those transactions are the provision of Link Group services to companies of which some of the NEDs were directors, such as registry services.

From time to time, Directors of Link Group, or their related entities, may purchase services from Link Group. These purchases are on the same terms and conditions as those entered into by other Link Group employees or clients and are engaged on an arm's length basis. These services relate to some NEDs being members of superannuation funds to which Link Group provides services.

31 Current KMP who have not met the threshold and are not yet required to meet the threshold are shown as N/A.

32 The UK and Ireland have a tax withholding requirement at vesting, and shares may be sold to cover the required withholding tax.

33 Executives who were not KMP at the start or end of the financial year have their respective share opening or closing holdings shown as N/A.

## OTHER INFORMATION

### Significant Changes in State of Affairs

#### Scheme Implementation Deed with Dye & Durham Corporation

On 22 December 2021, Link Group entered a Scheme Implementation Deed ("Original Scheme") with Dye & Durham under which Dye & Durham will acquire 100% of the share capital of Link Group by way of a Scheme of Arrangement. On 21 July 2022, Link Group announced it had entered a Revised Scheme Implementation Deed (Revised Scheme) with Dye & Durham under which Dye & Durham will acquire 100% of the share capital of Link Group by way of a Scheme of Arrangement. The Revised Scheme arose after Dye & Durham made several proposed reductions to the Original Scheme consideration acknowledging the undertaking required to achieve ACCC approval of the Scheme, and the change in global financial markets between December 2021 and June 2022.

Under the Revised Scheme, Link Group shareholders will receive $4.81 per share in base cash consideration. Link Group intends to pay a Special Dividend of approximately $0.08 per share expected to be franked at 100% subject to available franking credits, and this Special Dividend will be deducted from the $4.81 per share base consideration. In addition to the base consideration, under the Revised Scheme, if Dye & Durham reaches an agreement to sell the Banking & Credit Management (BCM) business, shareholders are entitled to receive any net consideration received from the sale of BCM prior to, or up to 12 months after, the implementation of the Revised Scheme, up to $0.13 per share.

Link Group's Board unanimously recommended that Link Group shareholders vote in favour of the Revised Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Revised Scheme is fair and reasonable and in the best interests of Link Group shareholders.

#### Other changes in state of affairs

Link Group successfully refinanced its senior debt facilities on 1 November 2021. The details of the new facilities available to Link Group are:

- $315 million of the non-amortising term loan facility is available until 29 October 2024;
- $315 million of the non-amortising term loan facility is available until 29 October 2026;
- £110 million of the non-amortising term loan facility is available until 29 October 2024;
- £140 million of the non-amortising term loan facility is available until 29 October 2026;
- $30 million working capital facility available until 29 October 2026; and
- £20 million working capital facility available until 29 October 2026.

On 26 August 2021, Link Group announced its intention to undertake an on-market buy-back of up to 53,032,844 shares (being approximately up to 5% of Link Group's issued ordinary shares). Following the receipt of the conditional, non-binding indicative proposal from Carlyle Asia Partners V, L.P., and as announced to the market on 5 November 2021, Link Group suspended its on-market share buyback. At the date of suspension on 5 November 2021, Link Group had bought back 23,238,691 shares for a value of $101.7 million out of the announced total buyback size of up to $150 million.

In the opinion of the Directors, aside from the matters described above, there were no other significant changes in the state of the affairs of the Company or Link Group that occurred during the financial year ended 30 June 2022.

### Events Subsequent to Reporting Date

#### Link Group Scheme Meeting

The Link Group Scheme Meeting was held on 22 August 2022, pursuant to an order of the Supreme Court of New South Wales made on 2 August 2022. Link Group shareholders voted in favour of the proposed acquisition of Link Group by Dye & Durham Corporation by way of scheme of arrangement (Scheme).

The Special General Meeting was held on 22 August 2022, immediately following the Link Group Scheme Meeting. The resolution to approve the proposed BCM Capital Return in connection with the Scheme **(Capital Return Resolution)**, as set out in the Notice of Special General Meeting included in the Explanatory Booklet dated 10 May 2022, was approved by the requisite majority of Link Group shareholders.

Significant progress has been made on the Revised Scheme and is expected to be finalised at the end of September 2022, subject to remaining regulatory approvals and the approval of the Supreme Court of New South Wales **(Court)** at the hearing scheduled for 9:15am (Sydney time) on 9 September 2022.

### Acquisition of HS Pensions

On 26 August 2022, Link Group signed an agreement to acquire HS Pensions in the United Kingdom for cash free, debt free purchase consideration of GBP 6.3 million ($10.5 million). The acquisition will deliver core pension administration and a platform for Link Group's RSS division in the UK. The transaction is expected to complete in the first half of the financial year ending 30 June 2023.

### Impact of macroeconomic environment on post balance date trading

Whilst the Directors note the escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets, including jurisdictions that Link Group operates in, Link Group has shown resilience and has been proactive in response to these challenges. The future impact of these macroeconomic conditions remains uncertain.

Other than the matters described above, in the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of Link Group, the results of those operations, or the state of affairs of Link Group, in future financial years.

## Likely Developments

Further information about the likely developments in the operations of Link Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to Link Group.

## Environmental Regulation

Link Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board believes Link Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to Link Group.

## Indemnification and Insurance

The Company has agreed to indemnify, to the extent permitted by the *Corporations Act 2001*, each Director and officer in respect of certain losses and liabilities (including all reasonable legal expenses) which the Director or officer may incur as a result of, or by reason of being a Director or officer of Link Group or a related body corporate.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

In accordance with the provisions of the *Corporations Act 2001*, the Company has a Directors' and officers' liability policy which covers all Directors and officers of Link Administration Holdings Limited and its Controlled Entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

During the financial year, the Company has not paid any premium in respect of a contract to insure the auditor of the Company or any of the auditor's related entities.

## Corporate Governance

The Board implements high standards of corporate governance, taking into account the Company's size, structure and nature of its operations. Link Group's Corporate Governance Statement reports against the Fourth Edition of the ASX Corporate Governance Council's Principles and Recommendations. The Corporate Governance Statement is approved by the Board and the most current version is available on the Link Group website at www.linkgroup.com.

## Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Rounding Off

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, and in accordance with that Instrument amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## Non-audit services

During the year KPMG, Link Group's auditor, performed certain other services in addition to the audit of the financial statements amounting to $541,465 (2021: $793,624). The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by Link Group and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor;
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Link Group, acting as an advocate for Link Group or jointly sharing risks and rewards; and

Details of the amounts paid to KPMG for audit and non-audit services provided during the year are disclosed in Note 29 to the financial statements.

The Lead Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 59 and forms part of the Directors' Report for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Board of Directors.

Dated 30 August 2022 at Sydney.

**Michael Carapiet**
**Chair**

**Vivek Bhatia**
**Chief Executive Officer & Managing Director**

# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

## To the Directors of Link Administration Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Link Administration Holdings Limited for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Eileen Hoggett
Partner

Sydney
30 August 2022

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 30 June 2022

| | NOTE | 2022 $'000 | 2021 $'000 |
|---|---|---|---|
| **Revenue – contracts with clients** | 5 | **1,175,329** | 1,160,340 |
| **Expenses:** | | | |
| Employee expenses | | **(655,872)** | (614,349) |
| Occupancy expenses | | **(19,471)** | (20,118) |
| IT costs | | **(117,464)** | (116,944) |
| Administrative and general expenses | 6 | **(170,904)** | (179,310) |
| Acquisition and capital management related expenses | | **(27,495)** | (21,651) |
| | | **(991,206)** | (952,372) |
| Depreciation expense | 14 | **(49,077)** | (53,740) |
| Intangibles amortisation expense | 15 | **(87,941)** | (102,687) |
| Contract fulfilment cost amortisation expenses | | **(6,775)** | (7,193) |
| | | **(143,793)** | (163,620) |
| Gain/(loss) on financial assets held at fair value through profit and loss | | **(64)** | 3,607 |
| Share of profit/(loss) of equity-accounted investees, net of tax | 4 | **8,931** | 1,942 |
| Profit on disposal of subsidiaries | | **–** | 15,347 |
| Impairment expense | 14, 15 | **(83,099)** | (182,779) |
| Finance income | | **1,507** | 8,866 |
| Finance costs | 18 | **(32,249)** | (32,840) |
| Net finance costs | | **(30,742)** | (23,974) |
| **Profit/(loss) before tax** | | **(64,644)** | (141,509) |
| Tax expense | 8(a) | **(2,927)** | (21,195) |
| **Profit/(loss) for the year** | | **(67,571)** | (162,704) |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss:** | | | |
| Defined benefit re-measurement | | **312** | (111) |
| **Items that may be reclassified subsequently to profit or loss:** | | | |
| Foreign currency translation differences for foreign operations | | **(29,345)** | (7,006) |
| **Other comprehensive income/(loss), net of tax** | | **(29,033)** | (7,117) |
| **Total comprehensive income/(loss) for the year** | | **(96,604)** | (169,821) |

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
### for the financial year ended 30 June 2022 (continued )

| | NOTE | 2022 $'000 | 2021 $'000 |
|---|---|---|---|
| **Profit attributable to:** | | | |
| Owners of the Company | | **(67,890)** | (163,352) |
| Non-controlling interest | | **319** | 648 |
| **Profit/(loss) for the year** | | **(67,571)** | (162,704) |
| | | | |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | **(96,923)** | (170,493) |
| Non-controlling interest | | **319** | 672 |
| **Total comprehensive income/(loss) for the year** | | **(96,604)** | (169,821) |

| EARNINGS PER SHARE | | CENTS PER SHARE | CENTS PER SHARE |
|---|---|---|---|
| Basic earnings per share | 7 | **(13.14)** | (30.75) |
| Diluted earnings per share | 7 | **(13.14)** | (30.75) |

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2022

| | NOTE | 30 JUNE 2022 $'000 | 30 JUNE 2021 $'000 |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | | **193,278** | 395,024 |
| Trade and other receivables | 9 | **236,927** | 235,388 |
| Derivative financial assets | | **–** | 273 |
| Other assets | | **44,879** | 36,458 |
| Current tax assets | | **17,288** | 7,290 |
| Fund assets | 11 | **756,163** | 864,901 |
| **Total current assets** | | **1,248,535** | 1,539,334 |
| **Non-current assets** | | | |
| Trade and other receivables | 9 | **7,640** | 1,651 |
| Investments | 20 | **110,587** | 103,502 |
| Equity-accounted investments | 4 | **551,335** | 535,247 |
| Plant and equipment | 14 | **274,172** | 215,711 |
| Intangible assets | 15 | **1,675,622** | 1,798,436 |
| Deferred tax assets | 8(d) | **60,537** | 65,275 |
| Other assets | | **13,735** | 17,612 |
| **Total non-current assets** | | **2,693,628** | 2,737,434 |
| **Total assets** | | **3,942,163** | 4,276,768 |
| **Current liabilities** | | | |
| Trade and other payables | 10 | **288,336** | 340,595 |
| Interest bearing loans and borrowings | 17 | **36,366** | 30,952 |
| Provisions | 12 | **22,079** | 14,147 |
| Employee benefits | 13 | **50,397** | 49,910 |
| Current tax liabilities | | **6,389** | 31,909 |
| Fund liabilities | 11 | **754,558** | 860,746 |
| **Total current liabilities** | | **1,158,125** | 1,328,259 |
| **Non-current liabilities** | | | |
| Trade and other payables | 10 | **5,116** | 7,379 |
| Interest-bearing loans and borrowings | 17 | **1,137,453** | 1,036,961 |
| Provisions | 12 | **19,722** | 37,940 |
| Employee benefits | 13 | **5,546** | 5,892 |
| Deferred tax liabilities | 8(d) | **107,069** | 120,742 |
| **Total non-current liabilities** | | **1,274,906** | 1,208,914 |
| **Total liabilities** | | **2,433,031** | 2,537,173 |
| **Net assets** | | **1,509,132** | 1,739,595 |
| **Equity** | | | |
| Contributed equity | 21 | **1,815,983** | 1,917,748 |
| Reserves | 22 | **(73,496)** | (11,172) |
| Retained earnings | 23 | **(233,926)** | (167,815) |
| **Total equity attributable to equity holders of the parent** | | **1,508,561** | 1,738,761 |
| Non-controlling interest | | **571** | 834 |
| **Total equity** | | **1,509,132** | 1,739,595 |

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as at 30 June 2022

| | SHARE CAPITAL $'000 | RESERVES $'000 | RETAINED EARNINGS $'000 | TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT $'000 | NON-CONTROLLING INTEREST $'000 | TOTAL EQUITY $'000 |
|---|---|---|---|---|---|---|
| **Balance at 30 June 2021** | 1,917,748 | (11,172) | (167,815) | 1,738,761 | 834 | 1,739,595 |
| **Net loss after tax** | – | – | (67,890) | (67,890) | 319 | (67,571) |
| Defined benefit remeasuremen | – | 312 | – | 312 | – | 312 |
| Foreign currency translation differences, net of tax | – | (29,345) | – | (29,345) | – | (29,345) |
| **Total other comprehensive income, net of income tax** | – | (29,033) | – | (29,033) | – | (29,033) |
| **Total comprehensive income** | – | (29,033) | (67,890) | (96,923) | 319 | (96,604) |
| **Transactions with shareholders** | | | | | | |
| Dividends declared during the year | – | (44,882) | – | (44,882) | (197) | (45,079) |
| Equity settled share-based payments | – | 14,724 | 1,394 | 16,118 | – | 16,118 |
| Treasury shares acquired | – | (3,133) | – | (3,133) | – | (3,133) |
| Disposal of subsidiaries with non-controlling interest | – | – | – | – | – | – |
| Transactions with non-controlling interest without a change in control | – | – | 385 | 385 | (385) | – |
| Buy-back and cancellation of share capital, net of costs | (101,765) | – | – | (101,765) | – | (101,765) |
| **Total contributions by and distributions to owners** | (101,765) | (33,291) | 1,779 | (133,277) | (582) | (133,859) |
| **Balance at 30 June 2022** | 1,815,983 | (73,496) | (233,926) | 1,508,561 | 571 | 1,509,132 |

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 30 June 2022 (continued)

| | SHARE CAPITAL $'000 | RESERVES $'000 | RETAINED EARNINGS $'000 | TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT $'000 | NON-CONTROLLING INTEREST $'000 | TOTAL EQUITY $'000 |
|---|---|---|---|---|---|---|
| **Balance at 30 June 2020** | 1,889,733 | 16,669 | 21,237 | 1,927,639 | 4,606 | 1,932,245 |
| **Net loss after tax** | – | – | (163,352) | (163,352) | 648 | (162,704) |
| Defined benefit remeasuremen | – | (111) | – | (111) | – | (111) |
| Foreign currency translation differences, net of tax | – | (7,030) | – | (7,030) | 24 | (7,006) |
| **Total other comprehensive income, net of income tax** | – | (7,141) | – | (7,141) | 24 | (7,117) |
| **Total comprehensive income** | – | (7,141) | (163,352) | (170,493) | 672 | (169,821) |
| **Transfer from retained earnings to reserves** | – | 29,070 | (29,070) | – | – | – |
| **Transactions with shareholders** | | | | | | |
| Dividends declared during the year | – | (42,657) | – | (42,657) | (304) | (42,961) |
| Equity settled share-based payments | – | 10,414 | 1,402 | 11,816 | – | 11,816 |
| Treasury shares acquired | – | (18,490) | – | (18,490) | – | (18,490) |
| Disposal of subsidiaries with non-controlling interest | – | 2,026 | – | 2,026 | (1,133) | 893 |
| Transactions with non-controlling interest without a change in control | – | (1,063) | 1,968 | 905 | (3,007) | (2,102) |
| Issue of share capital, net of costs of raising capital and tax | 28,015 | – | – | 28,015 | – | 28,015 |
| **Total contributions by and distributions to owners** | 28,015 | (49,770) | 3,370 | (18,385) | (4,444) | (22,829) |
| **Balance at 30 June 2021** | 1,917,748 | (11,172) | (167,815) | 1,738,761 | 834 | 1,739,595 |

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS
## for the financial year ended 30 June 2022

| | NOTE | 2022 $'000 | 2021 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash receipts in the course of operations | | 1,304,978 | 1,290,851 |
| Cash payments in the course of operations | | (1,099,985) | (997,928) |
| | | 204,993 | 292,923 |
| Cash payments for global transformation, acquisition/divestment and other one-off costs | | (57,591) | (36,334) |
| Interest received | | 1,446 | 2,693 |
| Dividends received | | 283 | 458 |
| Interest paid | | (31,265) | (30,719) |
| Income taxes paid, net of refunds received | | (46,572) | (14,100) |
| **Net cash provided by operating activities** | 16(a) | 71,294 | 214,921 |
| **Cash flows from investing activities** | | | |
| Payments for plant and equipment | | (18,526) | (15,219) |
| Payments for software | | (50,708) | (25,868) |
| Proceeds from disposal of subsidiaries, net of cash disposed | | – | 20,315 |
| Proceeds from loan repayments | | – | 200,000 |
| Acquisition of subsidiary, net of cash acquired | 25 | (14,313) | (7,072) |
| Acquisition of equity-accounted investments | 4(b) | (20,631) | – |
| Proceeds from derivatives | | 75 | 475 |
| Payments for investments | | (18,649) | (4,993) |
| Proceeds from sale of investments | | 309 | 1,278 |
| Sub-lease receipts | | 917 | 936 |
| **Net cash used in investing activities** | | (121,526) | 169,852 |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | 248,408 | 11,960 |
| Repayment of borrowings | | (198,916) | (195,057) |
| Payment of borrowing transaction costs | | (6,527) | – |
| Repayment of lease liabilities | | (40,958) | (34,852) |
| Payment for buy-back of shares | | (101,723) | – |
| Payment of costs related to the buy-back of shares | | (42) | – |
| Payment for purchase of treasury shares | | (3,133) | (432) |
| Dividends paid to owners of the Company | | (44,882) | (32,695) |
| Dividends paid to non-controlling interest | | (197) | (304) |
| **Net cash (used in)/provided by financing activities** | | (147,970) | (251,380) |
| **Net (decrease)/increase in cash and cash equivalents** | | (198,202) | 133,393 |
| **Cash and cash equivalents at the beginning of the financial year** | | 395,024 | 264,092 |
| Effect of exchange rate fluctuations on cash held | | (3,544) | (2,461) |
| **Cash and cash equivalents at the end of the financial year** | | 193,278 | 395,024 |

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

## PREPARATION OF THIS REPORT

## 1. GENERAL INFORMATION

Link Administration Holdings Limited (the "Company") is a company incorporated and domiciled in Australia. The Company's registered office and principal place of business is Level 12, 680 George Street, Sydney NSW 2000, Australia. The consolidated financial statements of Link Group as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries and Link Group's interest in associates. Link Group is a for-profit entity. Link Group's purpose is connecting people with their assets – safely, securely and responsibly. Link Group manages financial ownership data and drives user engagement, analysis and insight through technology. We deliver complete solutions for companies, large asset owners and trustees across the globe. Our commitment to market-leading client solutions is underpinned by our investment in people, processes and technology.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a going concern basis.

Link Group continues to be resilient in response to the challenges brought on by the escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets. During the year, Link Group maintained a focus on safeguarding the well-being of employees, as well as ensuring continuity of service for clients and other stakeholders. Link Group's response was aided by, but not limited to, the following:

- Continued investment in new technology and products to enable better servicing of our clients;
- A resilient earnings profile supporting operating cash flow, with approximately 84% of revenue recurring in nature;
- Additional initiatives were implemented to reduce costs and support operating cash flow;
- A strong liquidity position supported by cash reserves and committed, undrawn credit facilities; and
- Debt serviceability and leverage remained comfortably within existing bank covenants.

The Directors of the Company consider it probable that Link Group will continue to fulfil all obligations as and when they fall due for the foreseeable future and accordingly consider that Link Group's financial statements should be prepared on a going concern basis.

The consolidated financial statements were approved by the Board of Directors on 30 August 2022.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments designated at fair value through profit or loss, which are measured at fair value.

### (c) Functional and presentation currency

These consolidated financial statements are presented in Australian Dollars, which is the Company's functional currency. Link Group's accounting policies applied in translating the results and financial position of subsidiaries which have a functional currency other than Australian Dollars into the presentation currency are described in Note 2(e).

### (d) Use of estimates and judgements

Preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the following notes to the financial statements:

- Note 8(e) Utilisation of tax losses;
- Note 12 Provisions;
- Note 15 Reassessment of remaining useful economic lives of core software platforms;
- Note 15 Key assumptions in impairment testing for cash generating units (CGUs) containing goodwill;
- Note 20 Fair value of level 3 financial instruments;
- Note 24 Share-based payments; and
- Note 25 Business combinations.

Whilst escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets have not had an impact on Link Group's accounting policies, their impact has been considered in applying Link Group's accounting policies including where management has made judgements, estimates and assumptions. To the extent relevant, the impact has been considered and disclosed throughout the notes to the consolidated financial statements, including:

- Note 9 Assumptions within our expected credit losses on trade and other receivables;
- Note 15 Impact on cash flows forecasts used for impairment testing for CGUs containing goodwill; and
- Note 20 Impact on the fair value assessment of Level 3 investments.

## (e) Foreign currency

### Foreign currency transactions

Transactions, assets and liabilities in foreign currencies are translated to the respective functional currencies of Link Group entities using the following applicable exchange rate:

| FOREIGN CURRENCY AMOUNT | APPLICABLE EXCHANGE RATE |
|---|---|
| Transactions | Date of transaction |
| Monetary assets and liability | Reporting date |
| Non-monetary assets and liability measured at fair value | Date fair value is determined |

Foreign currency differences arising on translation are recognised in profit or loss.

### Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at the following applicable exchange rates:

| FOREIGN CURRENCY AMOUNT | APPLICABLE EXCHANGE RATE |
|---|---|
| Asset and liabilities | Reporting date |
| Income and expenses | Date of transaction |

On consolidation, foreign exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income and presented in equity in the Foreign Currency Translation Reserve. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in equity in the Foreign Currency Translation Reserve.

## (f) Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

## (g) Changes in accounting policies

The principal accounting policies adopted by Link Group are consistent with those of the previous financial year.

# OPERATING RESULTS

## 3. OPERATING SEGMENTS

### (a) Reportable segments

Link Group has four reportable segments described below, which are Link Group's operating divisions. Each of the divisions offer different products and services and are managed separately because they require different technology and business strategies to service their respective markets and comply with relevant legislative or other requirements. Financial information for each division is provided regularly to Link Group's Managing Director (the chief operating decision maker).

The following summary describes the operations in each of Link Group's reportable segments.

- **Retirement & Superannuation Solutions ("RSS")** – provides core member and employer administration services, combined with a full range of value-added services including an integrated clearing house, financial planning and advice, direct investment options and trustee services.
- **Corporate Markets ("CM")** – provides a uniquely integrated range of corporate markets capabilities including shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, company secretarial support, as well as various specialist offerings such as insolvency solutions.
- **Banking & Credit Management ("BCM")** – provides loan origination and servicing, debt work-out, compliance and regulatory oversight services to a range of clients including retail banks, investment banks, private equity funds and other investors.
- **Fund Solutions ("FS")** – provides authorised fund manager/management company, third-party administration and transfer agency services to asset managers and a variety of investment funds.

The chief operating decision makers primarily use revenue, measure of profit or loss (Operating EBIT) and total assets to assess the performance of the operating segments. The information for each reportable segment is presented below.

| FOR THE YEAR ENDED 30 JUNE 2022 | RSS $'000 | CM $'000 | BCM $'000 | FS $'000 | TOTAL REPORTABLE SEGMENTS $'000 | HEAD OFFICE $'000 | TOTAL LINK GROUP $'000 |
|---|---|---|---|---|---|---|---|
| Segment revenue | **511,726** | **366,008** | **131,628** | **181,410** | **1,190,772** | **–** | **1,190,772** |
| Inter-segment eliminations | **(1,185)** | **(14,160)** | **(60)** | **(38)** | **(15,443)** | **–** | **(15,443)** |
| **Revenues from external clients** | **510,541** | **351,848** | **131,568** | **181,372** | **1,175,329** | **–** | **1,175,329** |
| **Operating EBIT** | **105,885** | **65,736** | **(14,783)** | **17,617** | **174,455** | **(20,511)** | **153,944** |
| **Impairment expense** [1] | **–** | **–** | **(60,663)** | **–** | **(60,663)** | **(22,436)** | **(83,099)** |
| **Total assets at 30 June 2022** | **687,651** | **908,562** | **96,364** | **1,336,273** | **3,028,850** | **913,313** | **3,942,163** |

| FOR THE YEAR ENDED 30 JUNE 2021 | RSS $'000 | CM $'000 | BCM $'000 | FS $'000 | TOTAL REPORTABLE SEGMENTS $'000 | HEAD OFFICE $'000 | TOTAL LINK GROUP $'000 |
|---|---|---|---|---|---|---|---|
| Segment revenue | 506,905 | 364,938 | 141,053 | 170,456 | 1,183,352 | – | 1,183,352 |
| Inter-segment eliminations | (2,033) | (20,908) | (67) | (4) | (23,012) | – | (23,012) |
| **Revenues from external clients** | 504,872 | 344,030 | 140,986 | 170,452 | 1,160,340 | – | 1,160,340 |
| **Operating EBIT** | 96,045 | 54,230 | (12,112) | 15,722 | 153,885 | (12,436) | 141,449 |
| **Impairment expense** [2] | – | – | (182,779) | – | (182,779) | – | (182,779) |
| **Total assets at 30 June 2021** | 617,849 | 898,133 | 174,753 | 1,505,453 | 3,196,188 | 1,080,580 | 4,276,768 |

1 Refer to Note 14 Plant and Equipment ($22.4 million) and Note 15 Intangibles Assets ($60.7 million).

2 Refer to Note 15 Intangibles Assets ($182.8 million).

## (b) Reconciliation of reportable segments

A reconciliation of information provided on reportable segment measures of profit or loss to the consolidated net profit after tax is provided below.

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Operating EBIT** | **153,944** | 141,449 |
| Significant items/One-off costs: | | |
| • Global transformation costs | **(40,064)** | (27,153) |
| • Business combination/acquisition & divestment costs | **(28,141)** | (21,470) |
| **Total significant items** | **(68,205)** | (48,623) |
| Depreciation expense – non-operating | **(2,115)** | (1,507) |
| Intangibles amortisation expense – non-operating | **(109)** | (88) |
| Intangibles amortisation expense – acquisition related | **(43,185)** | (46,883) |
| Gain/(loss) on financial assets held at fair value through profit and loss | **(64)** | 3,607 |
| Share of profit of equity-accounted investees (excluding Acquired Amortisation), net of tax | **25,747** | 19,433 |
| Share of Acquired Amortisation of equity-accounted investees, net of tax | **(16,816)** | (17,491) |
| Profit on disposal of subsidiaries | **–** | 15,347 |
| Impairment expense | **(83,099)** | (182,779) |
| Finance income | **1,507** | 8,866 |
| Finance expense | **(32,249)** | (32,840) |
| **(Loss)/profit before tax** | **(64,644)** | (141,509) |
| Income tax expense | **(2,927)** | (21,195) |
| **Net (loss)/profit after tax** | **(67,571)** | (162,704) |

## (c) Geographic information

Link Group had total revenue and non-current assets attributed to the following geographic locations.

| | REVENUE | | NON-CURRENT ASSETS | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| Australia and New Zealand | **669,865** | 660,111 | **1,518,955** | 1,432,299 |
| United Kingdom and Channel Islands | **309,378** | 305,009 | **916,119** | 1,065,103 |
| Ireland | **102,875** | 115,007 | **19,898** | 22,114 |
| Other countries | **93,211** | 80,213 | **59,024** | 47,490 |
| | **1,175,329** | 1,160,340 | **2,513,996** | 2,567,006 |

In presenting the geographic information, revenue and non-current assets are allocated based on the country in which the legal entity is domiciled. Non-current assets allocated by country include plant and equipment, intangible assets, equity-accounted investments and other assets.

## (d) Major clients

Link Group had one (2021: one) major client in the RSS segment, which generated revenues of $143.7 million (2021: $131.4 million).

### Segment reporting

Segment results that are reported to Link Group's Chief Executive Officer & Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## 4. EQUITY-ACCOUNTED INVESTMENTS

Set out below are the equity-accounted investments of Link Group as at 30 June 2022.

| EQUITY-ACCOUNTED INVESTMENTS | PLACE OF BUSINESS | % OWNERSHIP INTEREST 2022 | % OWNERSHIP INTEREST 2021 | 2022 $'000 | 2021 $'000 |
|---|---|---|---|---|---|
| PEXA Group Limited | Australia | **42.8** | 42.8 | **544,592** | 535,247 |
| Moneysoft Pty Limited | Australia | **47.9** | – | **6,743** | – |
| **Total equity-accounted investments** | | | | **551,335** | 535,247 |

On 30 June 2021, Link Group's ownership in PEXA Group Limited ("PEXA") decreased from 44.2% to 42.8% as a result of a series of equity transactions that led to PEXA Group Limited's shares commencing trading on the Australian Securities Exchange (ASX) on 1 July 2021. Link Group continues to account for PEXA as an equity-accounted investment on the basis Link Group has significant influence over PEXA.

On 1 October 2021, restrictions attached to the conversion of Link Group's convertible debt in Moneysoft Pty Limited ("Moneysoft") ceased, allowing Link Group the option to convert the convertible debt to ordinary equity. On 31 March 2022, Link Group elected to convert the convertible debt in Moneysoft to ordinary shares, increasing its ownership of Moneysoft from 9.5% to 49.9% (42.9% on a fully diluted basis taking into account unvested share options held by Moneysoft's Directors and management). Link Group has assessed Moneysoft is a joint venture in which it has joint control in accordance with *AASB 11 Joint Arrangements*, and the investment has been equity-accounted from 1 October 2021 in accordance with *AASB 128 Investments in Associates and Joint Ventures*. Moneysoft is not publicly listed and is structured as a separate vehicle, and is a provider of personal financial management technology to a range of clients from individuals to corporate enterprises. In determining the Group has joint control over Moneysoft, consideration was given to collective control existing over decisions made at the Board level based on collective rights, and the exposure and ability to affect variable returns.

Link Group's interest in Moneysoft reduced from 49.9% to 47.9% on 21 June 2022 as a result of the exercise of share options by another shareholder in June 2022. Prior to 1 October 2021, Link Group's investment in Moneysoft was accounted for at fair value through profit or loss, refer Note 20(d).

### (a) Summarised financial information for material equity-accounted investments

The following table summarises the financial information of PEXA as included in its own consolidated financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of Link Group's interest in PEXA.

| PEXA SUMMARY BALANCE SHEET AS AT 30 JUNE 2022 | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Cash and cash equivalents | **75,391** | 51,517 |
| Other current assets | **42,906** | 33,130 |
| Non-current assets | **1,543,964** | 1,528,469 |
| Current financial liabilities *(excluding trade payables)* | **(1,882)** | (194,775) |
| Other current liabilities | **(56,234)** | (54,825) |
| Non-current financial liabilities *(excluding trade payables)* | **(305,614)** | (307,328) |
| Other non-current liabilities | **(33,830)** | (24,416) |
| **Net Assets** | **1,264,701** | 1,031,792 |
| | | |
| Link Group's share of net assets (42.8%) | **540,854** | 441,250 |
| Link Group's share of PEXA IPO funds (and related costs recognised directly in PEXA equity) raised on 1 July 2021 | **3,738** | 93,997 |
| **Carrying value of equity-accounted investment** | **544,592** | 535,247 |
| | | |
| **Fair value of Link Group's investment based on PEXA ASX close price[1]** | **1,053,334** | 1,300,553 |

1 PEXA Group Limited's close price on 30 June 2022.

| PEXA SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022 | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Revenue | 279,839 | 221,046 |
| Depreciation expense and intangibles amortisation expense – non-acquisition related | (12,701) | (9,448) |
| Intangibles amortisation expense – acquisition related | (56,174) | (56,560) |
| Net finance (expense)/income | (5,315) | (36,495) |
| Income tax expense | (11,069) | (3,695) |
| **Profit/(loss) for the year** | 21,851 | (11,787) |
| Other comprehensive income for the year | – | – |
| **Total comprehensive income for the year** | 21,851 | (11,787) |
| | | |
| Link Group's share of comprehensive income (42.8%) | 9,345 | (5,207) |
| Elimination of shareholder loan interest | – | 7,149 |
| **Link Group's share of comprehensive income** | 9,345 | 1,942 |

## (b) Reconciliation of movements in carrying values of investment in PEXA

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Carrying value at beginning of the year** | 535,247 | 705,259 |
| Share of profit/(loss) of PEXA, net of tax | 9,345 | 1,942 |
| Share of other comprehensive income | – | – |
| Return of capital from PEXA, converted to shareholder loan | – | (419,460) |
| Shareholder loan converted to additional shares in PEXA | – | 234,024 |
| Additional shares in PEXA acquired in IPO | – | 20,631 |
| Elimination of shareholder loan interest | – | (7,149) |
| **Carrying value at the end of the year** | 544,592 | 535,247 |

## (c) Individually immaterial equity-accounted investments

The following table summarises information regarding Link Group's investment in individually immaterial equity-accounted investments for the year end 30 June 2022.

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Carrying value of investment in Moneysoft** | 6,743 | – |
| | | |
| **Link Group's share of Moneysoft:** | | |
| Loss for the year | (414) | – |
| **Link Group's share of comprehensive income** | (414) | – |

### Equity-accounted investments

Equity-accounted investments are all entities over which Link Group has significant influence or joint control, generally relating to a shareholding of between 20% and 50% of the voting rights in the investee. Equity-accounted investments are accounted for using the equity method of accounting, after initially being recognised at cost.

Link Group's share of its equity-accounted investments' post acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends received or receivable from equity-accounted investments are recognised as a reduction in the carrying amount of the investment.

## 5. REVENUE

### Revenue

Revenue is recognised as performance obligations are satisfied over time. Clients obtain control of services as they are delivered, and revenue is recognised over time as those services are provided. Invoices are generally issued on a monthly basis and are payable within 7 to 30 days. As such, there is not considered to be any significant financing component within each contract.

Where Link Group has a right to consideration from a client in an amount that corresponds directly with the value of performance completed to date (for example, a service contract billed for a fixed amount for each hour of service provided), Link Group recognises revenue in the amount to which it has a right to invoice the client.

Link Group may also recognise revenue derived at a point in time, generally when Link Group's performance obligation is linked to a particular event. Revenue is recognised when Link Group has an unconditional right to payment under the terms of the contract.

### (a) Disaggregation of revenue

Revenue has been disaggregated by primary geographic location. The tables below also include a reconciliation of the disaggregated revenue with Link Group's reportable segments.

| FOR THE YEAR ENDED 30 JUNE 2022 | RSS $'000 | CM $'000 | BCM $'000 | FS $'000 | TOTAL REPORTABLE SEGMENTS $'000 | INTER-SEGMENT ELIMINATIONS $'000 | TOTAL LINK GROUP $'000 |
|---|---|---|---|---|---|---|---|
| **Geographic location** | | | | | | | |
| Australia and New Zealand | 504,511 | 158,475 | – | 20,982 | 683,968 | (14,103) | 669,865 |
| United Kingdom and Channel Islands | 7,188 | 146,793 | 28,317 | 128,427 | 310,725 | (1,347) | 309,378 |
| Ireland | – | 4,817 | 75,065 | 22,976 | 102,858 | 17 | 102,875 |
| Other countries | 27 | 55,923 | 28,246 | 9,025 | 93,221 | (10) | 93,211 |
| **Revenues from contracts with clients** | 511,726 | 366,008 | 131,628 | 181,410 | 1,190,772 | (15,443) | 1,175,329 |

| FOR THE YEAR ENDED 30 JUNE 2021 | RSS $'000 | CM $'000 | BCM $'000 | FS $'000 | TOTAL REPORTABLE SEGMENTS $'000 | INTER-SEGMENT ELIMINATIONS $'000 | TOTAL LINK GROUP $'000 |
|---|---|---|---|---|---|---|---|
| **Geographic location** | | | | | | | |
| Australia and New Zealand | 501,458 | 160,667 | – | 19,710 | 681,835 | (21,724) | 660,111 |
| United Kingdom and Channel Islands | 5,447 | 143,885 | 28,823 | 127,886 | 306,041 | (1,032) | 305,009 |
| Ireland | – | 5,405 | 87,026 | 22,576 | 115,007 | – | 115,007 |
| Other countries | – | 54,981 | 25,204 | 284 | 80,469 | (256) | 80,213 |
| **Revenues from contracts with clients** | 506,905 | 364,938 | 141,053 | 170,456 | 1,183,352 | (23,012) | 1,160,340 |

### (b) Contract balances

The following table provides information about contract assets and contract liabilities from contracts with clients.

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Contract assets (included in trade and other receivables) | – | – |
| Contract liabilities – current (included in trade and other payables) | (22,068) | (31,278) |
| Contract liabilities – non-current (included in trade and other payables) | (4,102) | (6,135) |
| | (26,170) | (37,413) |

Contract assets primarily relate to Link Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to trade receivables when Link Group's contractual entitlement to the consideration becomes unconditional. This usually occurs when Link Group has a contractual right to issue an invoice to the client.

Contract liabilities primarily relate to consideration received in advance from client for services for which revenue is recognised over time. Revenue recognised during the financial year ended 30 June 2022 that was included in contract liabilities at the beginning of the financial year was $28.3 million (2021: $27.6 million).

### (c) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from client contracts.

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Aggregate amount of revenue allocated to client contracts that are partially or fully unsatisfied as at year end, which will be recognised on a straight-line basis consistent with the length of each client contract. | **1,157,761** | 1,396,076 |

Link Group expects that approximately 45% of revenue allocated to the unsatisfied contracts as at 30 June 2022 (2021: 35%) will be recognised during the next financial year. The majority of the remaining 45% (2021: 59%) will be recognised as revenue between 1 July 2023 and 30 June 2027 (2021: 1 July 2022 and 30 June 2026).

As permitted under AASB 15, revenue allocated to unsatisfied performance obligations is not disclosed for contracts that are for periods of one year or less. Unsatisfied performance obligations also exclude client contracts entered into subsequent to 30 June 2022 or any future contract renewals that may occur.

### (d) Contract fulfilment costs

The following table provides information about contract fulfilment costs.

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Contract fulfilment costs (included in non-current other assets) | **12,962** | 17,129 |

Costs directly related to a contract that generate or enhance Link Group's resources to satisfy performance obligations in the future, and that are expected to be recovered, are recognised as an asset. Contract fulfilment costs are amortised on a straight-line basis over the expected life of the contract.

Any recoveries of those contract fulfilment costs from client are classified as contract liabilities and amortised over the same period where they do not relate to a separate performance obligation.

## 6. ADMINISTRATIVE AND GENERAL EXPENSES

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Costs recharged to clients | **(67,039)** | (70,091) |
| Professional & consulting expenses | **(43,261)** | (42,091) |
| Office expenses | **(7,707)** | (7,407) |
| Insurance costs | **(22,873)** | (19,853) |
| Travel expense | **(3,506)** | (806) |
| Other expenses | **(26,518)** | (39,062) |
| | **(170,904)** | (179,310) |

## 7. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Ordinary shares on issue have been adjusted for the bonus element of new shares issued at a discount to market value during the year.

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Profit/(loss) for the year attributable to owners of the Company** | **(67,890)** | (163,352) |

| | NUMBER OF SHARES '000 | NUMBER OF SHARES '000 |
|---|---|---|
| **Weighted average number of ordinary shares (basic)** | | |
| Issued ordinary shares at the beginning of the financial year | **532,423** | 530,266 |
| Effect of allotments, issuances and buybacks | **(16,794)** | 3,157 |
| Effect of treasury shares acquired | **1,025** | (2,223) |
| **Weighted average number of ordinary shares (basic)** | **516,654** | 531,200 |

### (b) Diluted earnings per share

Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise Performance Share Rights (PSRs) and Share Rights (SRs) granted to employees. Dilutive securities have been adjusted for the bonus element of new shares issued at a discount to market value during the year.

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Profit/(loss) for the year attributable to owners of the Company** | **(67,890)** | (163,352) |

| | NUMBER OF SHARES '000 | NUMBER OF SHARES '000 |
|---|---|---|
| **Weighted average number of ordinary shares (diluted)** | | |
| Basic weighted average number of ordinary shares | **516,654** | 531,200 |
| Effect of dilutive PSRs and SRs | **8,589** | 7,085 |
| **Weighted average number of ordinary shares (diluted)** | **525,243** | 538,285 |
| | | |
| **Basic earnings per share (cents)** | **(13.14)** | (30.75) |
| **Diluted earnings per share (cents)** | **(13.14)** | (30.75) |

Potential ordinary shares, which comprise Performance Share Rights (PSRs) and Share Rights (SRs), are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

## 8. TAXATION

### (a) Income tax expense

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Current tax expense** | | |
| Current year | (12,300) | (51,422) |
| Adjustment for prior years | 1,470 | (863) |
| | (10,830) | (52,285) |
| **Deferred tax (expense)/benefit** | | |
| Origination and reversal of temporary differences | 7,761 | 31,586 |
| Adjustment for prior years | 142 | (496) |
| | 7,903 | 31,090 |
| Tax expense | (2,927) | (21,195) |
| | | |
| **Loss before income tax** | (64,644) | (141,509) |
| **Prima facie income tax expense calculated at 30% on operating profit from ordinary activities:** | 19,393 | 42,453 |
| Effect of tax rates in foreign jurisdictions | (7,440) | (24,468) |
| Non-deductible expenses [1] | (18,811) | (40,655) |
| Non-assessable income | 4,203 | 10,204 |
| Recognition of previously unrecognised tax losses | (1,913) | 2,730 |
| Effect of change in UK tax rates | 29 | (10,100) |
| (Under)/over provision of tax in respect of prior years | 1,612 | (1,359) |
| **Income tax expense** | (2,927) | (21,195) |
| Movement in temporary differences | (6,568) | (31,586) |
| Utilisation of recognised tax losses | – | – |
| **Income tax payable on current year profits** | (9,495) | (52,781) |

### (b) Effective tax rates for Australian and overseas operations

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | PROFIT/ (LOSS) BEFORE TAX $'000 | INCOME TAX EXPENSE $'000 | EFFECTIVE TAX RATE | PROFIT/ (LOSS) BEFORE TAX $'000 | INCOME TAX EXPENSE $'000 | EFFECTIVE TAX RATE |
| Australian operations | 4,301 | (2,334) | 54.3% | 63,087 | (6,382) | 10.1% |
| Overseas operations | (68,945) | (593) | (0.9%) | (204,596) | (14,813) | (7.2%) |
| **Link Group** | (64,644) | (2,927) | (4.5%) | (141,509) | (21,195) | (15.0%) |

1 Included tax effect of impairment of goodwill of $60.7 million (2021: $173.1 million), which is not deductible.

The effective tax rate for the year ended 30 June 2022 for Link Group was impacted by the following material factors:

- Loss before tax of $60.7 million (2021: $182.8 million) related to goodwill impairment expense (Note 15), which did not give rise to an income tax benefit for overseas operations;
- Non-deductible acquisition and capital management related expenses of $5.2 million incurred in Australia; and
- Tax losses of $18.3 million incurred in certain European tax jurisdictions which were not recognised as a deferred tax asset as it is not probable they will be utilised in the foreseeable future.

After adjusting for the above factors, Australian operations had an effective tax rate of 26.7% (2021: 26.2%), overseas operations had an effective tax rate of 37.6% (2021: 41.2%), and Link Group had an effective tax rate of 35.4% (2021: 30.8%).

Link Group has adopted a low risk approach for tax risk. Link Group seeks to maintain open, co-operative and transparent relationships with revenue authorities in the jurisdictions it operates. Link Group is committed to transparently complying with and disclosing all its tax obligations in all jurisdictions. Link Group focuses on integrity in compliance, reporting, engaging with tax authorities and enhancing shareholder value. The Board does not sanction or support any activities which seek to aggressively structure the tax affairs of Link Group. Specifically, Link Group:

- Does not artificially shift and/or accumulate profits in low tax jurisdictions;
- Does not use the secrecy rules of jurisdictions to hide assets or income;
- Pays tax where the underlying economic activity occurs; and
- Applies carried forward tax losses where tax legislation enables Link Group to do so.

For more information, please refer to Link Group's Tax Risk Governance Policy publish on its website (www.linkgroup.com/corporategovernance.html).

## (c) Tax recognised in other comprehensive income and equity

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | BEFORE TAX $'000 | TAX BENEFIT $'000 | NET OF TAX $'000 | BEFORE TAX $'000 | TAX EXPENSE $'000 | NET OF TAX $'000 |
| Foreign Currency Translation Reserve | **(31,027)** | **1,682** | **(29,345)** | (6,470) | (536) | (7,006) |
| | **(31,027)** | **1,682** | **(29,345)** | (6,470) | (536) | (7,006) |

## (d) Deferred tax assets/(liabilities)

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Deferred tax asset:** | | |
| Provisions & accruals | **36,324** | 37,294 |
| Other | **16,401** | 20,793 |
| Tax losses | **7,812** | 7,188 |
| | **60,537** | 65,275 |
| **Deferred tax liability:** | | |
| Intangible assets | **(47,817)** | (65,808) |
| Plant, equipment & software | **(1,691)** | (4,476) |
| Equity-accounted investments | **(36,778)** | (33,974) |
| Other | **(20,783)** | (16,484) |
| | **(107,069)** | (120,742) |

| | BALANCE AT 1 JULY 2021 $'000 | ACQUIRED IN BUSINESS COMBINATION $'000 | RECOGNISED IN PROFIT OR LOSS $'000 | RECOGNISED IN OCI $'000 | BALANCE AT 30 JUNE 2022 $'000 |
|---|---|---|---|---|---|
| **Deferred tax asset:** | | | | | |
| Provisions & Accruals | 37,294 | – | (1,024) | 54 | 36,324 |
| Other | 20,793 | – | (3,712) | (680) | 16,401 |
| Tax losses | 7,188 | – | 418 | 206 | 7,812 |
| | 65,275 | – | (4,318) | (420) | 60,537 |
| **Deferred tax liability:** | | | | | |
| Intangible assets | (65,808) | (837) | 16,677 | 2,151 | (47,817) |
| Plant, equipment & software | (4,476) | – | 2,361 | 424 | (1,691) |
| Equity-accounted investments | (33,974) | – | (2,804) | – | (36,778) |
| Other | (16,484) | – | (4,013) | (286) | (20,783) |
| | (120,742) | (837) | 12,221 | 2,289 | (107,069) |

| | BALANCE AT 1 JULY 2020 $'000 | ACQUIRED IN BUSINESS COMBINATION $'000 | RECOGNISED IN PROFIT OR LOSS $'000 | RECOGNISED IN OCI $'000 | BALANCE AT 30 JUNE 2021 $'000 |
|---|---|---|---|---|---|
| **Deferred tax asset:** | | | | | |
| Provisions & Accruals | 31,359 | – | 5,858 | 77 | 37,294 |
| Other | 16,231 | – | 4,554 | 8 | 20,793 |
| Tax losses | 8,882 | – | (1,932) | 238 | 7,188 |
| | 56,472 | – | 8,480 | 323 | 65,275 |
| **Deferred tax liability:** | | | | | |
| Intangible assets | (73,826) | – | 8,721 | (703) | (65,808) |
| Plant, equipment & software | (7,606) | – | 3,130 | – | (4,476) |
| Equity-accounted investments | (57,632) | – | 23,658 | – | (33,974) |
| Other | (3,428) | – | (12,900) | (156) | (16,484) |
| | (142,492) | – | 22,609 | (859) | (120,742) |

### (e) Unrecognised tax losses

As at 30 June 2022, Link Group had carried forward tax losses unrecognised for deferred tax purposes available to offset against taxable income in future years in the following jurisdictions:

- Australian tax losses of $172.8 million (2021: $177.0 million);
- European tax losses of $22.6 million (2021: $14.7 million); and
- Other jurisdiction tax losses of $0.1 million (2021: $0.6 million).

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these losses because it is not probable that conditions will permit their utilisation in the foreseeable future.

**Significant accounting estimate and judgement**

Judgement is required in determining whether it is probable future conditions will permit utilisation of carried forward tax losses. Deferred tax assets in respect of Link Group's carried forward tax losses have not been recognised to the extent it is not probable that conditions will permit their utilisation in the foreseeable future.

## (f) Franking credits

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Amount of franking credits available to shareholders for subsequent financial years | 23,072 | 3,526 |

The ability to use the franking credits is dependent on the ability to declare dividends. The Company seeks to maintain a surplus franking credit balance at 30 June each year by considering the amount of current year income tax related payments when determining the franking of dividends.

### Current tax

Current tax is the expected tax payable or receivable on the taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries and jointly controlled entities to the extent it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which Link Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### Offsetting deferred tax balances

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### Tax consolidation or grouping

#### Australia

The Company and its wholly owned Australian subsidiaries are part of a tax consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Link Administration Holdings Limited. Members of the Australian tax-consolidated group have entered into a tax sharing agreement that requires wholly owned subsidiaries to make contributions to the head entity for current tax liabilities. Under the tax funding agreement, the subsidiaries reimburse the Company for their portion of Link Group's current tax liability and recognise this payment as an inter-entity payable/receivable in their financial statements. The Company reimburses the subsidiaries for any deferred tax asset arising from unused tax losses and/or tax credits.

#### Overseas

The Company also has wholly owned subsidiaries in the following foreign jurisdictions which have made the following elections with the relevant local taxation authority:

- United Kingdom and Jersey subsidiaries have elected to apply tax grouping rules to share tax losses and/or tax payments in the United Kingdom and Jersey; and
- Other countries subsidiaries have elected to form a tax group (or adopt fiscal unity) in relevant European countries.

## OPERATING ASSETS AND LIABILITIES

## 9. TRADE AND OTHER RECEIVABLES

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Current** | | |
| Trade receivables | **159,228** | 151,452 |
| Less: Expected credit losses | **(3,501)** | (3,555) |
| | **155,727** | 147,897 |
| Investment management debtors | **71,111** | 78,297 |
| Contract assets | **–** | – |
| Lease receivables | **12** | 929 |
| Other receivables | **10,077** | 8265 |
| | **236,927** | 235,388 |
| **Non-current** | | |
| Lease receivables | **6,237** | 13 |
| Other receivables | **1,403** | 1,638 |
| | **7,640** | 1,651 |

### Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs less provision for doubtful debts. Trade receivables are generally due after 7 to 30 days. Link Group has no significant concentration of credit risk. Trade and other receivables are spread across a large number of different clients.

As at 30 June 2022, management have assessed the expected credit losses for trade and other receivables. A provision for credit losses has been made for the expected non-recoverable trade receivable amounts arising from services provided.

### Investment management debtors

Investment management debtors consist of amounts owed by the authorised funds to Link Fund Solutions Limited in respect of managing the assets of the authorised funds for which Link Fund Solutions Limited acts as the Authorised Corporate Director.

### Lease receivables

Lease receivables relate to finance leases in which Link Group has sub-leased assets it had previously recognised as right-of-use assets. Finance leases transfer substantially all the risks and rewards incidental to ownership of the underlying asset. At commencement date, Link Group recognises a lease receivable at the present value of future lease payments to be received, discounted using the interest rate implicit in the lease, or Link Group's incremental borrowing rate. A corresponding amount is derecognised from the existing right-of-use asset. Lease receivables are subsequently measured using the effective-interest method, with lease payments applied as repayments of the receivable, and periodic interest income recognised in finance income.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Within one year | 12 | 932 |
| One to two years | – | 13 |
| Two to three years | 1,426 | – |
| Three to four years | 1,779 | – |
| Four to five years | 1,841 | – |
| Beyond five years | 2,229 | – |
| Unearned finance income | (1,038) | (3) |
| **Lease receivables** | 6,249 | 942 |

## 10. TRADE AND OTHER PAYABLES

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Current** | | |
| Trade creditors | 28,388 | 50,405 |
| Investment management creditors | 132,425 | 135,859 |
| Deferred consideration | – | 1,109 |
| Accrued operational expenses | 54,285 | 45,041 |
| Contract liabilities | 22,068 | 31,278 |
| IT related creditors | 13,653 | 15,175 |
| Indemnified payables | 4,409 | 4,712 |
| PEXA IPO contribution payable | – | 20,631 |
| Other creditors and accruals | 33,108 | 36,385 |
| | 288,336 | 340,595 |
| **Non-current** | | |
| Contract liabilities | 4,102 | 6,135 |
| Other creditors | 1,014 | 1,244 |
| | 5,116 | 7,379 |

### Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Investment management creditors consist of amounts owed to the appointed investment manager delegates, in respect of their services in managing the assets of the authorised funds for which Link Fund Solutions Limited acts as the Authorised Corporate Director.

## 11. FUND ASSETS AND LIABILITIES

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Fund assets** | | |
| Fund receivables | 756,163 | 864,901 |
| | 756,163 | 864,901 |
| **Fund liabilities** | | |
| Fund payables | (754,558) | (860,746) |
| | (754,558) | (860,746) |

### Fund assets and liabilities

These balances relate to investors' purchase or redemption of units in authorised funds of which Link Fund Solutions Limited (Link Asset Services' collective investment scheme administration business) is the Authorised Corporate Director. Link Fund Solutions Limited acts in the role of principal in the transactions, and the balances are due to and from the investors and investment funds. As at 30 June 2022, $1.6 million ($756.2 million assets net of $754.6 million liabilities) of net cash was due from investors and investment funds. The net receivable position arose because Link Fund Solutions Limited was yet to receive settlement from some investors and/or funds. The majority of funds need to be settled within a 4-day settlement period.

## 12. PROVISIONS

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Current** | | |
| Provisions | 22,079 | 14,147 |
| **Non-current** | | |
| Provisions | 19,722 | 37,940 |

A reconciliation of the carrying amount of each material class of provisions is set out below:

| | CLAIMS $'000 | INTEGRATION $'000 | ONEROUS CONTRACTS $'000 | OTHER $'000 | TOTAL $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2021** | 36,179 | 2,496 | 4,502 | 8,910 | 52,087 |
| Provisions made during the year | 2,205 | 11,638 | 3,402 | 172 | 17,417 |
| Provisions used during the year | (4,246) | (858) | (3,055) | (2,421) | (10,580) |
| Provisions reversed during the year | (13,725) | (584) | (117) | (1,426) | (15,852) |
| Foreign exchange translation difference | (986) | 49 | (124) | (210) | (1,271) |
| **Balance at 30 June 2022** | 19,427 | 12,741 | 4,608 | 5,025 | 41,801 |
| **Current** | 7,436 | 11,659 | 1,546 | 1,438 | 22,079 |
| **Non-current** | 11,991 | 1,082 | 3,062 | 3,587 | 19,722 |

### Significant accounting estimate and judgement

Judgement is required in determining the expected outflow of economic benefits required to settle provisions. Provisions are based on expected obligations at reporting date under current legal and contractual requirements and using estimates based on past experience.

### Provisions

A provision is recognised if, as a result of a past event, Link Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is treated as a finance expense.

**Claims**: Link Group recognises a provision for claims arising from processing errors and other corporate events associated with the handling of administration activities for and on behalf of clients and investors. Provisions are measured at the cost that Link Group expects to incur in settling the claim. The provision also includes an estimate of claims that have been incurred but are not yet reported.

**Integration**: The integration provision includes restructuring costs. The restructuring provision is based on estimates of the future costs associated with redundancies. The provision calculation includes assumptions around the timing and costs of redundancies. A provision for restructuring is recognised when Link Group has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced publicly. Future operating costs are not included in the provision.

**Onerous contracts**: A provision for onerous contracts is recognised when the expected benefits to be derived by Link Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, Link Group recognises any impairment loss on the assets associated with that contract.

**Other**: Other provisions are for contractual obligations relating make-good obligations and remediation costs. Make good provisions relate to Link Group's future obligation to remove fixtures and fittings or reinstate leaseholds back to original condition. Remediation cost provisions relate to contractual obligations under client contracts to remediate errors on claims.

## 13. EMPLOYEE BENEFITS

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Current** | | |
| Employee entitlements | **50,397** | 49,910 |
| **Non-current** | | |
| Employee entitlements | **5,546** | 5,892 |

### Long-term employee benefits

Link Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value and the fair value of any related assets is deducted.

### Short-term employee benefits

Liabilities for employee benefits for wages, salaries, and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that Link Group wholly expects to pay as at the reporting date including related on-costs (where applicable).

## 14. PLANT AND EQUIPMENT

| | PLANT & EQUIPMENT $'000 | FIXTURES & FITTINGS $'000 | RIGHT-OF-USE $'000 | TOTAL $'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| **Balance at 1 July 2021** | 95,084 | 77,656 | 251,987 | 424,727 |
| Acquisitions through business combinations | 72 | – | 118 | 190 |
| Additions | 16,200 | 31,037 | 119,277 | 166,514 |
| Effects of movements in exchange rates | (1,008) | (278) | (3,064) | (4,350) |
| Disposals/write offs | (3,934) | (6,128) | (67,823) | (77,885) |
| **Balance at 30 June 2022** | 106,414 | 102,287 | 300,495 | 509,196 |
| **Depreciation and impairment losses** | | | | |
| **Balance at 1 July 2021** | (66,140) | (35,958) | (106,918) | (209,016) |
| Depreciation charge for the year | (15,407) | (6,531) | (27,139) | (49,077) |
| Impairment expense for the year | – | (5,434) | (17,002) | (22,436) |
| Effects of movements in exchange rates | 543 | 185 | 1,009 | 1,737 |
| Disposals/write offs | 3,709 | 3,065 | 36,994 | 43,768 |
| **Balance at 30 June 2022** | (77,295) | (44,673) | (113,056) | (235,024) |
| **Carrying amount at 30 June 2022** | 29,119 | 57,614 | 187,439 | 274,172 |

| | PLANT & EQUIPMENT $'000 | FIXTURES & FITTINGS $'000 | RIGHT-OF-USE $'000 | TOTAL $'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| **Balance at 1 July 2020** | 88,370 | 86,724 | 271,286 | 446,380 |
| Acquisitions through business combinations | 17 | – | – | 17 |
| Additions | 11,317 | 2,657 | 14,828 | 28,802 |
| Effects of movements in exchange rates | 283 | (64) | 564 | 783 |
| Disposals/write offs | (4,903) | (11,661) | (34,691) | (51,255) |
| **Balance at 30 June 2021** | 95,084 | 77,656 | 251,987 | 424,727 |
| **Depreciation and impairment losses** | | | | |
| **Balance at 1 July 2020** | (58,323) | (37,108) | (100,520) | (195,951) |
| Depreciation charge for the year | (12,896) | (7,362) | (33,482) | (53,740) |
| Effects of movements in exchange rates | 284 | 248 | (341) | 191 |
| Disposals/write offs | 4,795 | 8,264 | 27,425 | 40,484 |
| **Balance at 30 June 2021** | (66,140) | (35,958) | (106,918) | (209,016) |
| **Carrying amount at 30 June 2021** | 28,944 | 41,698 | 145,069 | 215,711 |

### Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The expected useful life and the depreciation methods are listed below:

| ITEM | USEFUL LIFE | DEPRECIATION METHOD |
|---|---|---|
| Plant & equipment | 3–8 years | Straight-line |
| Fixtures & fittings | 2–10 years | Straight-line |
| Right-of-use assets | Non-cancellable lease period | Straight-line |

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

### Right-of-use assets

At the inception of a contract, Link Group assesses whether the contract is, or contains, a “lease” in accordance with the requirements of AASB 16 *Leases*. Criteria include that:

- the contract must convey the right to control the use of an identifiable asset;
- Link Group must have right to obtain substantially all the economic benefits from the asset; and
- Link Group must have the right to direct the use of the asset.

Link Group recognises a right-of-use asset at commencement date. Right-of-use assets are initially measured at cost, which comprises:

- the right-of-use lease liability (refer Note 17);
- plus identifiable initial direct costs incurred to enter the lease;
- less lease incentives received; and
- plus estimated costs to dismantle/make-good at the end of the lease.

Right-of-use assets are subsequently depreciated on a straight-line basis over the useful life of the asset, and are periodically reduced by impairment losses where the carrying value exceeds future benefits. Right-of-use assets are recognised as a separate category within plant and equipment in Link Group’s consolidated statement of financial position.

### Short-term leases and leases of low value assets

Link Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less, and leases of low value assets. Link Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Impairment

During the financial year, Link Group conducted an internal review of its expected usage of certain right-of-use premises assets following the strategic decision and announcement in July 2021 to move to a blended working model for staff globally. The decision means that, until alternative arrangements can be made, certain right-of-use premises assets will be underutilised and are therefore considered not fully recoverable. Link Group estimated the value in use (recoverable amount) of these specific assets and an impairment expense of $22.4 million was recognised in relation to right-of-use premises and fixture & fittings assets as a result of the assessment.

## 15. INTANGIBLE ASSETS

| | GOODWILL $'000 | CLIENT RELATIONSHIPS $'000 | SOFTWARE $'000 | BRAND NAMES $'000 | TOTAL $'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **Balance at 1 July 2021** | 1,568,041 | 501,669 | 683,023 | 4,593 | 2,757,326 |
| Acquisitions through business combinations | 11,370 | 3,489 | 1 | – | 14,860 |
| Additions | – | – | 50,708 | – | 50,708 |
| Effects of movements in exchange rates | (41,523) | (12,816) | (8,017) | (172) | (62,528) |
| Disposals/Assets written off | – | – | (18,251) | – | (18,251) |
| **Balance at 30 June 2022** | 1,537,888 | 492,342 | 707,464 | 4,421 | 2,742,115 |
| **Amortisation and impairment losses** | | | | | |
| **Balance at 1 July 2021** | (282,147) | (237,366) | (435,977) | (3,400) | (958,890) |
| Amortisation charge | – | (39,989) | (47,583) | (369) | (87,941) |
| Impairment expense | (60,663) | – | – | – | (60,663) |
| Effects of movements in exchange rates | 13,714 | 5,693 | 3,206 | 137 | 22,750 |
| Disposals/Assets written off | – | – | 18,251 | – | 18,251 |
| **Balance at 30 June 2022** | (329,096) | (271,662) | (462,103) | (3,632) | (1,066,493) |
| **Carrying amount at 30 June 2022** | 1,208,792 | 220,680 | 245,361 | 789 | 1,675,622 |

| | GOODWILL $'000 | CLIENT RELATIONSHIPS $'000 | SOFTWARE $'000 | BRAND NAMES $'000 | TOTAL $'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| **Balance at 1 July 2020** | 1,559,260 | 510,285 | 678,386 | 4,520 | 2,752,451 |
| Acquisitions through business combinations | 653 | – | – | – | 653 |
| Additions | – | – | 26,834 | – | 26,834 |
| Effects of movements in exchange rates | 8,128 | 3,653 | 205 | 73 | 12,059 |
| Disposals/Assets written off | – | (12,269) | (22,402) | – | (34,671) |
| **Balance at 30 June 2021** | 1,568,041 | 501,669 | 683,023 | 4,593 | 2,757,326 |
| **Amortisation and impairment losses** | | | | | |
| **Balance at 1 July 2020** | (109,667) | (209,333) | (388,150) | (3,056) | (710,206) |
| Amortisation charge | – | (39,687) | (62,694) | (306) | (102,687) |
| Impairment expense | (173,112) | – | (9,667) | – | (182,779) |
| Effects of movements in exchange rates | 632 | (615) | 2,246 | (38) | 2,225 |
| Disposals/Assets written off | – | 12,269 | 22,288 | – | 34,557 |
| **Balance at 30 June 2021** | (282,147) | (237,366) | (435,977) | (3,400) | (958,890) |
| **Carrying amount at 30 June 2021** | 1,285,894 | 264,303 | 247,046 | 1,193 | 1,798,436 |

### Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the cost of the acquisition over Link Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment losses.

### Client relationships

Client relationships acquired in business combinations are recognised initially at fair value and are subsequently amortised according to the expected useful life of these relationships.

### Software

Link Group capitalises in-house developed software that meets business and client needs and enables operational efficiencies to be achieved.

Development expenditure is capitalised only if development costs are directly attributable, can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and Link Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Other software development costs are expensed as incurred.

### Brand Names

Brand names acquired in business combinations are recognised initially at fair value and are subsequently amortised according to the expected useful life of the brand name.

### Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives of intangible assets, except when another systematic basis measuring the pattern in which the economic benefits of a software asset are consumed can be reliably measured. In such cases, amortisation is charged on that systematic basis over the estimated useful life of that asset. The estimated useful lives for the current and comparative periods are as follows:

| ITEM | USEFUL LIFE | AMORTISATION METHOD |
|---|---|---|
| Software | 2–5 years | Straight-line |
| Client relationships | 3–20 years | Straight-line |
| Brand Names | 5–10 years | Straight-line |

### Change in estimates

During the year, Link Group conducted an internal review of its expected usage of core software platforms used in servicing clients, which resulted in an increase to the remaining useful economic lives for some platforms. The revised useful lives reflect the long term expected use of these core software platforms, Link Group's commitment to ongoing enhancement projects underway, and that the technologies underpinning these platforms remain and will continue to be widely used within the broader industries.

The effect of these changes on actual (FY2022) and forecast (FY2023 and beyond) amortisation expense is as follows.

| | FY2022 $'000 | FY2023 $'000 | FY2024 $'000 | FY2025 $'000 | FY2026 $'000 | LATER $'000 |
|---|---|---|---|---|---|---|
| Decrease/(increase) in amortisation expense | **7,604** | **7,220** | **2,026** | **(3,063)** | **(3,065)** | **(10,722)** |

### Significant accounting estimate and judgement

Judgement is required in estimating useful lives of intangible assets. Estimated useful lives were determined using the past experiences of Link Group and an assessment of current strategic plans and economic conditions.

## (a) Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill is allocated to Link Group's cash-generated units ("CGUs"). The CGUs align with Link Group's Operating Segments as disclosed in Note 3 and are consistent with the comparative period, with one exception. For impairment testing at 30 June 2022, Link Fund Solutions Australia became part of the Corporate Markets CGU (transferring from Fund Solutions). The Link Fund Solutions Australia business is highly complementary to existing Corporate Markets clients. Accordingly, the impairment testing for the Corporate Markets and Fund Solutions CGUs reflects this change. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

| CGUS FOR THE YEAR ENDED 30 JUNE | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Retirement & Superannuation Solutions (RSS) | 306,167 | 306,243 |
| Corporate Markets (CM) | 519,692 | 511,950 |
| Banking & Credit Management (BCM) | 20,663 | 82,743 |
| Fund Solutions (FS) | 362,270 | 384,958 |
| **Total goodwill** | **1,208,792** | 1,285,894 |

The carrying amounts of Link Group's goodwill and intangible assets are tested annually for impairment.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The goodwill and any other intangible assets with indefinite lives acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in profit and loss if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amounts of CGUs were determined through value in use calculations. The value in use calculations applied a post-tax discounted cash flow model, based on five-year cash flow forecasts endorsed by the Board and an appropriate terminal value. Management has considered the economic conditions and uncertainty due to the escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets when determining the cash flow forecasts. The forecast assumptions are based on the information available as at 30 June 2022. While operations across Link Group have been impacted to varying degrees during the financial year, Link Group has, in the main, remained resilient to date.

Growth rates for cash flows after the fifth year and the pre-tax discount rates used in the value in use calculations are presented below:

| | TERMINAL GROWTH RATES | | PRE-TAX DISCOUNT RATES | |
|---|---|---|---|---|
| CGUS FOR THE YEAR ENDED | 2022 | 2021 | 2022 | 2021 |
| Retirement & Superannuation Solutions | 2.6% | 2.4% | 9.49% | 8.43% |
| Corporate Markets | 2.4% | 2.3% | 9.92% | 8.74% |
| Banking & Credit Management | 2.0% | 2.0% | 11.18% | 9.13% |
| Fund Solutions | 2.0% | 2.1% | 9.75% | 8.53% |

The pre-tax discount rates relate to the risks in the respective segments and countries in which they operate. The discount rate used reflects management's estimate of the time value of money and Link Group's weighted average cost of capital (WACC), which is calculated separately for each CGU.

### Banking & Credit Management (BCM) CGU impairment

As previously disclosed in Link Group's Interim Financial Report for the six-month ended 31 December 2021, Link Group reassessed the recoverable amount of the Banking & Credit Management (BCM) CGU following the non-binding indicative offers to acquire BCM received from LC Financial Holdings and the syndicate led by Pepper European Servicing Limited, in November 2021. The non-binding indicative offers received were less than the recoverable amount of the BCM CGU as assessed in Link Group's 2021 Annual Report, giving rise to an indicator of impairment. An impairment expense of $60.7 million was recognised against goodwill in the BCM CGU to ensure the carrying value of the BCM cash-generating unit did not exceed the higher of the value-in-use and fair value (estimated sale price) less costs to sell as at 31 December 2021.

No additional impairment expense was recognised as a result of the impairment assessment performed at 30 June 2022, and the impairment expense recognised for goodwill in a previous period is not reversable in accordance with Australian and International Accounting Standards.

| VALUE IN USE IMPAIRMENT TESTING RESULT FOR THE YEAR ENDED 30 JUNE 2022 | BCM $'000 |
|---|---|
| Value in use (recoverable amount) | 69,694 |
| Carrying amount | 59,977 |
| **Headroom** | **9,717** |

### Sensitivity analysis

Management considered, for all cash generating units, the following reasonably possible changes in the key assumptions, leaving all other assumptions held constant, and concluded that none individually would result in the carrying amount exceeding the value in use for any of the cash generating units. The sensitivity analysis was done on the basis that a reasonably possible change in each key assumption would not have a consequential impact on other assumptions.

- Plus/minus 0.5% change in pre-tax discount rates;
- Plus/minus 5% change in 5-year forecast cash flows; and
- Plus/minus 0.5% change in terminal growth rates.

### Significant accounting estimate and judgement

Judgement is required in estimating recoverable amounts of cash generating units (CGUs) to which intangible assets with an indefinite useful life (goodwill) are allocated. All key assumptions applied in value in use calculation were determined using the past experiences of Link Group and an assessment of current economic conditions. Where possible, assumptions were validated against external sources of information.

## 16. NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of net profit after tax to net cash inflow from operating activities

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Loss after income tax** | (67,571) | (162,704) |
| **Add/(less) non-cash items** | | |
| Depreciation expense | 49,077 | 53,740 |
| Intangibles amortisation expense | 87,941 | 102,687 |
| Contract fulfilment costs amortisation expense | 6,775 | 7,193 |
| Impairment expense | 83,099 | 182,779 |
| Share of profit of equity-accounted investees, net of tax | (8,931) | (1,942) |
| Profit on disposal of subsidiaries | – | (15,347) |
| Equity-settled share-based payment expense | 16,118 | 11,816 |
| Loss/(gain) on financial assets held at fair value through profit & loss | 64 | (3,607) |
| Unrealised foreign exchange loss/(gain) | (553) | 100 |
| Unwinding discount on provisions and deferred consideration | – | 91 |
| Borrowing cost amortisation | 3,864 | 1,471 |
| Loss/(gain) on disposal/write off of plant and equipment | 106 | (1,152) |
| **Net cash inflow from operating activities before changes in assets and liabilities** | 169,989 | 175,125 |
| **Change in operating assets and liabilities** | | |
| Change in trade and other receivables | 21,057 | 1,806 |
| Change in other assets | (12,359) | (6,957) |
| Change in fund assets and fund liabilities | 2,231 | (838) |
| Change in trade and other payables | (57,618) | 41,768 |
| Change in employee benefits | 467 | 11,762 |
| Change in provisions | (8,828) | (14,840) |
| Change in current and deferred tax balances | (43,645) | 7,095 |
| **Net cash inflow from operating activities** | 71,294 | 214,921 |

### (b) Reconciliation of movement in liabilities to cash flows arising from financing activities

| | | | NON-CASH | | | |
|---|---|---|---|---|---|---|
| | 30 JUNE 2021 $'000 | FINANCING CASH FLOWS $'000 | BORROWING COST AMORTISATION $'000 | OTHER NON-FINANCING ACTIVITIES [1] $'000 | FOREIGN EXCHANGE MOVEMENT $'000 | 30 JUNE 2022 $'000 |
| Interest-bearing loans and borrowings – Current | 30,952 | 5,338 | – | 403 | (327) | 36,366 |
| Interest-bearing loans and borrowings – Non-current | 1,036,961 | (2,045) | 3,864 | 119,936 | (21,263) | 1,137,453 |
| **Total liabilities from financing activities** | 1,067,913 | 3,293 | 3,864 | 120,339 | (21,590) | 1,173,819 |

1 Other non-financing activities relate primarily to the addition of right-of-use assets during the financial year ended 30 June 2022, refer Note 14.

## CAPITAL STRUCTURE, FINANCING AND RISK MANAGEMENT

### 17. INTEREST BEARING LOANS AND BORROWINGS

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Current** | | |
| Lease liabilities | 36,366 | 30,952 |
| | 36,366 | 30,952 |
| **Non-current** | | |
| Lease liabilities | 260,100 | 188,653 |
| Loans | 877,353 | 848,308 |
| | 1,137,453 | 1,036,961 |

| FINANCING ARRANGEMENTS | FACILITY NOTIONAL CURRENCY | INTEREST RATE AT 30 JUNE 2022 (P.A.) | 2022 $'000 | 2021 $'000 |
|---|---|---|---|---|
| **Total facilities available:** | | | | |
| Non-amortising term loan facility | AUD | 2.8% – 3.0% | 630,000 | 550,000 |
| Working capital facility | AUD | 1.9% – 3.0% | 30,000 | 30,000 |
| Non-amortising term loan facility | GBP | 2.9% – 3.1% | 440,839 | 856,511 |
| Working capital facility | GBP | 1.9% – 3.1% | 35,267 | 36,839 |
| | | | 1,136,106 | 1,473,350 |
| **Facilities utilised at reporting date:** | | | | |
| Non-amortising term loan facility | AUD | 2.8% – 3.0% | 521,500 | 158,000 |
| Working capital facility | AUD | 1.9% | 11,520 | 11,520 |
| Non-amortising term loan facility | GBP | 2.9% – 3.1% | 359,725 | 691,620 |
| Working capital facility | GBP | 1.9% | 178 | 186 |
| | | | 892,923 | 861,326 |
| **Facilities not utilised at reporting date** | | | | |
| Non-amortising term loan facility | AUD | 0.7% | 108,500 | 392,000 |
| Working capital facility | AUD | 0.7% | 18,480 | 18,480 |
| Non-amortising term loan facility | GBP | 0.7% | 81,114 | 164,891 |
| Working capital facility | GBP | 0.7% | 35,089 | 36,653 |
| | | | 243,183 | 612,024 |

Facilities utilised at reporting date includes $11.7 million (2021: $11.7 million) of guarantees provided to external parties, which have not been drawn down. Refer to Note 19.

Link Group successfully refinanced its senior debt facilities on 1 November 2021. The details of the new facilities available to Link Group are:

- $315 million of the non-amortising term loan facility is available until 29 October 2024;
- $315 million of the non-amortising term loan facility is available until 29 October 2026;
- £110 million of the non-amortising term loan facility is available until 29 October 2024;
- £140 million of the non-amortising term loan facility is available until 29 October 2026;
- $30 million working capital facility available until 29 October 2026; and
- £20 million working capital facility available until 29 October 2026.

Link Group complied with all debt covenants and reporting obligations throughout the financial year ended 30 June 2022.

### Loans

Loans are initially recognised at fair value, net of transaction costs incurred. Loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans using the effective interest method. Fees paid on the establishment of loan facilities which are material and not an incremental cost relating to the actual draw down of the facility were offset against the loan and are amortised on a straight-line basis over the term of the facility.

### Lease liabilities

Right-of-use lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, or Link Group's incremental borrowing rate. Right-of-use lease liabilities are subsequently measured using the effective-interest method, with lease payments applied as repayments of the liability, and periodic interest expense recognised in finance costs. Right-of-use lease liabilities are recognised in interest-bearing loans and borrowings in Link Group's consolidated statement of financial position.

Interest bearing loans and borrowings are classified as current liabilities unless Link Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## 18. FINANCE COSTS

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Loan interest expense | (17,591) | (21,833) |
| Lease liabilities interest expense | (11,347) | (9,374) |
| Amortisation of capitalised borrowing costs | (3,864) | (1,471) |
| Foreign exchange gain/(loss) | 553 | (96) |
| Other | – | (66) |
| | (32,249) | (32,840) |

## 19. CONTINGENT LIABILITIES

Link Group has granted bank guarantees, letters of credit and performance guarantees in the favour of:

| TYPE/COUNTERPARTY | BENEFICIARY | REASON | 2022 $'000 | 2021 $'000 |
|---|---|---|---|---|
| Bank guarantee – Westpac | Pacific Custodians Pty Limited | Regulatory financial licence | 10,000 | 10,000 |
| Bank guarantee – Westpac | ASX Settlement & Transfer Corp | Contractual obligation | 500 | 500 |
| Bank guarantee – Westpac | GESB Superannuation | Contractual obligation | 1,000 | 1,000 |
| Letter of credit – Westpac | Australian Securities & Investments Commission | Contractual obligation | 20 | 20 |
| Bank guarantee – HSBC | Kryalos Societa di Gestione del Risparmio S.p.A | Property lease | 178 | 186 |

### Australian Financial Services Licence (AFSL) Performance Bond

A Guarantee for $10 million (2021: $10 million) is held with Westpac on behalf of a subsidiary of Link Group, Pacific Custodians Pty Limited, as a requirement of the subsidiary's Australian Financial Services Licence (AFSL) requirements (AFSL Performance Bond).

### LF Equity Income Fund (previously known as LF Woodford Equity Income Fund)

From time to time, Link Fund Solutions (LFS) receives enquiries, complaints or claims from investors or third parties in relation to the funds for which it acts, or has acted, as authorised corporate director (ACD) (in relation to authorised funds) or operator (in relation to unregulated funds).

On 17 June 2019, the Financial Conduct Authority (FCA) notified LFS that it was commencing an investigation into LFS as ACD of the LF Woodford Equity Income Fund, now known as the LF Equity Income Fund (the Fund). As at the date of signing the consolidated financial statements, LFS is in confidential discussions with the FCA regarding matters relating to the investigation. These discussions are confidential and the outcome uncertain, as such it is not possible for Link Group to speculate or make any further comment on the potential outcome of these discussions. LFS is also aware that a claim has been issued against it on behalf of 1,000 investors in the Fund and a separate claim has been issued against LFS on behalf of 1,131 investors in the Fund. LFS has not, at the date of signing these consolidated financial statements, been served with either of these proceedings. However, LFS has been served with an application for a Group Litigation Order in respect of both of these sets of proceedings. This application will be heard by the Court in due course. LFS intends to vigorously defend itself against such proceedings. In addition, LFS has received pre-action letters and correspondence on behalf of other investors in the Fund, but it is not aware of any other claims having been issued in respect of these matters. The FCA has been advised of all these claims. Further, LFS has also received complaints from investors in the Fund, a number of which have been referred to the Financial Ombudsman Service (the FOS). LFS has not been notified of any determination by the FOS in respect of any of these complaints. LFS continues to act in the best interests of investors in the Fund as the orderly wind-up of the Fund progresses.

Notwithstanding the above, as at the date of these consolidated financial statements, Link Group is not aware of any matter which should be disclosed as a contingent liability in these consolidated financial statements.

## 20. INVESTMENT AND FINANCIAL RISK MANAGEMENT

### (a) Investments

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Listed equity securities – at fair value through profit or loss | **3,952** | 4,105 |
| Unlisted investments – at fair value through profit or loss | **106,635** | 99,397 |
| | **110,587** | 103,502 |

The equity securities have been designated at fair value through profit or loss because they are managed on a fair value basis and their performance is actively monitored.

Link Group continues to account for its 11.7% (2021: 12.3%) ownership interest in Smart Pension Limited (Smart) within unlisted investments at fair value, with gains or losses recognised through profit or loss given Link Group does not have significant influence over Smart. During the year, Link Group made an additional £10 million ($18.6 million) investment in Smart. As at 30 June 2022, the investment had a fair value of $106.2 million (2021: $92.5 million) after accounting for foreign exchange fluctuations.

### (b) Financial Risk Management Overview

Link Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

#### Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Link Group has established risk management policies that identify and analyse the risks faced by Link Group, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

### Credit Risk

Credit risk is the risk of financial loss to Link Group if a client or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets less any provisions for impairment represents Link Group's maximum credit exposure.

Link Group's exposure to credit risk arises predominantly through its cash and cash equivalents, trade and other receivables, and fund assets.

- Cash and cash equivalent amounts as well as transactions involving derivative financial instruments are all held or maintained by banks and financial institutions with high credit ratings. Link Group monitors counterparty credit exposure on a daily basis to ensure compliance with pre-determined credit limits to minimise credit risk.
- Trade Receivables are monitored in line with Link Group's credit policy. The credit quality of clients is assessed by taking into account their financial position, past experience and other relevant factors. Based on the above process, Link Group considers that all unimpaired trade and other receivables are collectible in full.
- Fund assets relate to investors' purchase or redemption of units in investment funds of which Link Fund Solutions Limited (Link Group's collective investment scheme administration business) is an Authorised Corporate Director. Link Group has a limited exposure to credit risk as fund assets and fund liabilities are usually settled within four business days. Link Group has rights regarding net settlement, enabling uncollectable balances to be recovered, refer to Note 11.

The maximum exposure to credit risk for current trade and other receivables at the end of the reporting period was as follows:

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| Neither past due nor impaired | **217,903** | 217,149 |
| Past due 1–30 days | **9,148** | 9,920 |
| Past due 31–60 days | **5,178** | 4,667 |
| Past due over 61 days | **4,698** | 3,734 |
| | **236,927** | 235,388 |

Movements in the allowance for impairment in respect of trade and other receivables during the year are disclosed in Note 9.

### Liquidity Risk

Liquidity risk is the risk that Link Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Link Group manages its liquidity risk by maintaining adequate cash reserves and available committed credit lines combined with continuous monitoring of actual and forecast cash flows on a short, medium and long term basis. See Note 17 for details of Link Group's unused facilities at year end.

Remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments were as follows. The amounts include both interest and principal cash flows undiscounted and based on contractual maturity (without reference to the repricing schedule) and therefore the totals will differ from those disclosed in the statement of financial position. The interest repayments are based on forward interest rates and as such these amounts could vary, however it is not expected that they will do so significantly from the amounts stated below.

| | CARRYING AMOUNT $'000 | TOTAL $'000 | < 1 YEAR $'000 | 1–2 YEARS $'000 | 2–5 YEARS $'000 | > 5 YEARS $'000 |
|---|---|---|---|---|---|---|
| **30 June 2022** | | | | | | |
| *Non-interest bearing* | | | | | | |
| Trade and other payables | **293,452** | **293,452** | **288,336** | **2,717** | **1,895** | **504** |
| Fund liabilities | **754,558** | **754,558** | **754,558** | **–** | **–** | **–** |
| *Interest bearing* | | | | | | |
| Lease liabilities | **296,466** | **335,739** | **46,703** | **43,738** | **122,326** | **122,972** |
| Loans | **877,353** | **961,344** | **24,759** | **24,778** | **911,807** | **–** |
| **Total non-derivative liabilities** | **2,221,829** | **2,345,093** | **1,114,356** | **71,233** | **1,036,028** | **123,476** |

| | CARRYING AMOUNT $'000 | TOTAL $'000 | < 1 YEAR $'000 | 1–2 YEARS $'000 | 2–5 YEARS $'000 | > 5 YEARS $'000 |
|---|---|---|---|---|---|---|
| **30 June 2021** | | | | | | |
| *Non-interest bearing* | | | | | | |
| Trade and other payables | 347,974 | 347,974 | 340,595 | 4,067 | 2,720 | 592 |
| Fund liabilities | 860,746 | 860,746 | 860,746 | – | – | – |
| *Interest bearing* | | | | | | |
| Lease liabilities | 219,605 | 255,083 | 38,665 | 35,641 | 95,083 | 85,694 |
| Loans | 848,308 | 870,745 | 13,537 | 697,833 | 159,375 | – |
| **Total non-derivative liabilities** | 2,276,633 | 2,334,548 | 1,253,543 | 737,541 | 257,178 | 86,286 |

The Company and a number of the subsidiaries are guarantors to Link Group's loans and borrowings.

## Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect Link Group's income or carrying value of its holdings of financial instruments as at the year end.

## Foreign currency risk

Foreign currency risk is the risk that the carrying value or future cash flows associate with a financial instrument will fluctuate because of changes in foreign exchange rates.

### Specific foreign currency items

Link Group has designated its GBP non-amortising term loan facility (refer Note 17) as a hedge of the net investment in its UK subsidiaries. The drawn amount of the term loan facility of £204 million had a fair value and carrying amount at 30 June 2022 of $359.7 million (2021: $646.6 million). A foreign exchange gain of $17.9 million (2021: loss of $18.3 million) on translation of the term loan facility to AUD at the end of the financial year is recognised in other comprehensive income and accumulated in the foreign currency translation reserve on consolidation. The hedge was considered 100% effective throughout the year.

### Other foreign currency items

In addition to the specific items mentioned above, entities within Link Group typically enter into transactions and recognise assets and liabilities that are denominated in their functional currency. Whilst a number of entities within Link Group hold financial instruments in a currency which is not their local functional currency, these balances are not considered material and do not expose Link Group to significant foreign currency risk.

Link Group is exposed to foreign currency risk when net investments in foreign subsidiaries are translated to Link Group's reporting currency, the Australian Dollar (AUD). The effects of any exchange rate movements in respect of the net investment in foreign subsidiaries are recognised in the foreign currency translation reserve on consolidation.

Sensitivity testing was performed by flexing the value of the AUD against foreign currencies to which Link Group is exposed by 10% (2021: 10%). The assumed 10% change was chosen based on historical and reasonably possible movements of official exchange rates.

| | PROFIT/(LOSS) AFTER TAX | | NET ASSETS | |
|---|---|---|---|---|
| | 2022 $'000 | 2021 $'000 | 2022 $'000 | 2021 $'000 |
| AUD +10%/GBP | **2,037** | 6,959 | **(28,927)** | (29,034) |
| AUD -10%/GBP | **(2,037)** | (6,959) | **28,927** | 29,013 |
| AUD +10%/EUR | **6,491** | 15,120 | **(14,686)** | (18,271) |
| AUD -10%/EUR | **(6,491)** | (15,120) | **14,686** | 18,271 |
| AUD +10%/Other currencies | **(1,475)** | (367) | **(8,547)** | (7,176) |
| AUD -10%/Other currencies | **1,475** | 367 | **8,587** | 7,219 |

### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Link Group is exposed to interest rate risk attaching specifically to Link Group's financial assets and liabilities as well as through the maintenance of paying agent and escrow bank accounts administered on behalf of clients. Link Group's primary financial assets impacted by changes in variable interest rates include cash and cash equivalents. Link Group's primary financial liabilities impacted by interest rate movements include interest bearing loans and borrowings.

A sensitivity analysis was performed to assess the impact interest rates have on Link Group's statement of financial performance, including the impact of hedging and escrow bank accounts. Sensitivity testing was performed by increasing interest rates by 1.0% (2021: 0.5%) as at reporting date which would result in a favourable impact on Link Group's loss/profit before tax of $4.8 million (2021: favourable impact of $4.5 million). A decrease of 1.0% (2021: 0.5%) would have an adverse impact on Link Group's loss/profit before tax of $3.2 million (2021: adverse impact of $0.1 million). The assumed 1.0% (2021: 0.5%) change was chosen based on historical and reasonably possible movements of official interest rates. The method of calculation has not changed from the prior period.

### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Link Group's exposure to price risk arises primarily from the listed and unlisted equity securities it holds, which have been designated at fair value through profit or loss.

A 10% increase/(decrease) (2021: 5%) in the fair value of Link Group's listed and unlisted investments would increase/(decrease) Link Group's profit before tax by $11.1 million (2021: $5.2 million). The assumed 10% (2021: 5%) change was chosen based on historical and reasonably possible movements in equity markets.

## (c) Capital management

The Board's policy is to maintain a capital base to provide confidence to shareholders and other stakeholders and to sustain future development of the business. Capital consists of total equity less amounts accumulated in equity in relation to dividend reserves and other reserves.

Link Group monitors the ratio of net financial indebtedness to operating earnings in accordance with the terms of its Syndicated Loan Agreement. Net debt is calculated as interest bearing liabilities less cash and cash equivalents. Link Group also monitors the interest cover ratio, which is calculated by dividing operating earnings by interest expense.

## (d) Fair value of financial instruments

The following table details Link Group's fair value amounts of financial instruments categorised by the following levels.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | LEVEL 1 $'000 | LEVEL 2 $'000 | LEVEL 3 $'000 | TOTAL $'000 |
|---|---|---|---|---|
| **30 June 2022** | | | | |
| **Assets** | | | | |
| Listed investments designated at fair value through profit and loss | **3,952** | **–** | **–** | **3,952** |
| Unlisted equity securities designated at fair value through profit and loss | **–** | **403** | **106,232** | **106,635** |
| | **3,952** | **403** | **106,232** | **110,587** |
| **30 June 2021** | | | | |
| **Assets** | | | | |
| Derivative financial assets | – | 273 | – | 273 |
| Listed investments designated at fair value through profit and loss | 4,105 | – | – | 4,105 |
| Unlisted equity securities designated at fair value through profit and loss | – | 767 | 98,630 | 99,397 |
| | 4,105 | 1,040 | 98,630 | 103,775 |

There have been no assets transferred between levels during the year (2021: none).

- **Level 1** investments consist of financial instruments traded in active markets and are valued based on quoted market prices at the end of the reporting period.
- **Level 2** investments consist of unlisted managed investment schemes and derivative financial instruments. Unlisted managed investment schemes are valued based on daily quoted unit redemption prices derived using observable market data. Derivative financial instruments are valued using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
- **Level 3** investments include unlisted investments held by Link Group, the valuation for which is deemed to have one or more significant inputs which are not based on observable market data. Significant increases or decreases in future cash flows would increase or decrease, respectively, the fair value of the investments. As at 30 June 2022, the Group held an unlisted equity investment in Smart Pension Limited measured on a recurring basis at fair value through profit and loss of $106.2 million (30 June 2021: $98.6 million). The valuation of the investment as at 30 June 2022 was based on a methodology of leveraging revenue multiples for market listed comparable companies and referencing other external market based data points. Comparable listed entities were included based on industry, size, developmental stage and/or strategy. Additionally, regard was also given to the trading performance of the business following the additional investment from third party investors and an $18.6 million investment by Link Group in December 2021.

| RECONCILIATION OF MOVEMENTS IN LEVEL 3 INVESTMENTS | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Opening level 3 investments at the beginning of the financial year** | **98,630** | 88,660 |
| Acquisitions | **19,461** | 5,054 |
| Fair value gain/(loss) recognised in profit or loss | **260** | 2,384 |
| Investments reclassified to equity-accounted investments | **(7,158)** | – |
| Foreign currency retranslation | **(4,961)** | 2,532 |
| **Closing level 3 investments at the end of the financial year** | **106,232** | 98,630 |

### Significant accounting estimate and judgement

Judgement is required in measuring level 3 investments at fair value. All key assumptions applied in fair value measurements were determined using the past experiences of Link Group and management. Where possible, assumptions were validated against external sources of information such as independent arms-length transactions, or independent expert valuations.

The following table sets out the carrying amount and fair value of financial assets and financial liabilities:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| FAIR VALUE VS CARRYING AMOUNTS | FAIR VALUE $'000 | CARRYING AMOUNT $'000 | FAIR VALUE $'000 | CARRYING AMOUNT $'000 |
| **Assets** | | | | |
| *Financial assets measured at fair value through profit and loss* | | | | |
| Derivative financial assets | **–** | **–** | 273 | 273 |
| Investments | **110,587** | **110,587** | 103,502 | 103,502 |
| *Financial assets measured at amortised cost* | | | | |
| Cash and cash equivalents | **193,278** | **193,278** | 395,024 | 395,024 |
| Trade and other receivables | **244,567** | **244,567** | 237,039 | 237,039 |
| Fund assets | **756,163** | **756,163** | 864,901 | 864,901 |
| | **1,304,595** | **1,304,595** | 1,600,739 | 1,600,739 |
| **Liabilities** | | | | |
| *Financial liabilities measured at amortised cost* | | | | |
| Trade and other payables | **293,452** | **293,452** | 347,974 | 347,974 |
| Interest bearing loans and borrowings | **1,173,819** | **1,173,819** | 1,067,913 | 1,067,913 |
| Fund liabilities | **754,558** | **754,558** | 860,746 | 860,746 |
| | **2,221,829** | **2,221,829** | 2,276,633 | 2,276,633 |

The fair values of interest bearing loans and borrowings are the same as their carrying amounts as interest payable on those borrowings is floating at current market rates.

### Financial instruments – Recognition/derecognition

A financial instrument is recognised when Link Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if Link Group's contractual rights to the cash flows from the financial assets expire or if Link Group transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset. Financial liabilities are derecognised if Link Group's obligations specified in the contract expire or are discharged or cancelled.

### Measurement

#### Financial assets measured at fair value through profit or loss

Financial instruments at fair value through profit or loss are recognised initially at fair value, and are subsequently measured at fair value with changes recognised in the statement of comprehensive income under "gains or losses on financial assets held at fair value through profit and loss".

#### Financial assets measured at amortised cost

Other financial instruments are recognised initially at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables and interest-bearing loans and borrowings are classified as financial liabilities. Trade and other receivables and cash and cash equivalents are classified as financial assets. Cash and cash equivalents comprise cash balances and call deposits.

### Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Any impairment losses are recognised in profit or loss.

## 21. CONTRIBUTED EQUITY

| ISSUED AND PAID-UP CAPITAL | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Balance at the beginning of the year** | **1,917,748** | 1,889,733 |
| Equity issued under share-based payment arrangements (refer Note 24) | – | 18,058 |
| Equity issued under dividend reinvestment plan | – | 9,957 |
| Equity bought back and cancelled | (101,723) | – |
| Equity raising and share buy-back costs, net of tax | (42) | – |
| **Balance at the end of the year** | **1,815,983** | 1,917,748 |

| NUMBER OF SHARES ISSUED: | 2022 '000 | 2021 '000 |
|---|---|---|
| **Balance at the beginning of the year** | **536,226** | 530,328 |
| Equity issued under share-based payment arrangements (refer Note 24) | – | 3,680 |
| Equity issued under dividend reinvestment plan | – | 2,218 |
| Equity bought back and cancelled | (23,239) | – |
| **Balance at the end of the year** | **512,987** | 536,226 |

### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit.

### Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

The Link Group Dividend Reinvestment Plan (DRP) has operated historically in respect of dividends declared by Link Group from time to time, allowing shareholders to reinvest some or all of their dividend in new shares rather than receiving their dividend as a cash payment. The DRP will not operate in relation to the Special Dividend that may be declared subject to successful implementation of the Revised Scheme Implementation Deed with Dye & Durham.

## 22. RESERVES

| CONSOLIDATED | SHARE COMPEN-SATION RESERVE $'000 | TREASURY SHARE RESERVE $'000 | DISTRI-BUTABLE PROFITS RESERVE $'000 | FOREIGN CURRENCY TRANSLATION RESERVE $'000 | ACQUISITION RESERVE $'000 | DEFINED BENEFIT RESERVE $'000 | PRE-ACQUISITION PROFITS PAID RESERVE $'000 | TOTAL $'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2021** | **18,382** | **(18,563)** | **103,825** | **29,900** | **(13,519)** | **(1,464)** | **(129,733)** | **(11,172)** |
| **Other comprehensive income** | **–** | **–** | **–** | **(29,345)** | **–** | **312** | **–** | **(29,033)** |
| **Transactions with shareholders** | | | | | | | | |
| Dividends declared from distributable profits reserve | **–** | **–** | **(44,882)** | **–** | **–** | **–** | **–** | **(44,882)** |
| Equity settled share-based payments | **935** | **13,789** | **–** | **–** | **–** | **–** | **–** | **14,724** |
| Treasury shares acquired | **–** | **(3,133)** | **–** | **–** | **–** | **–** | **–** | **(3,133)** |
| **Balance at 30 June 2022** | **19,317** | **(7,907)** | **58,943** | **555** | **(13,519)** | **(1,152)** | **(129,733)** | **(73,496)** |

| CONSOLIDATED | SHARE COMPEN-SATION RESERVE $'000 | TREASURY SHARE RESERVE $'000 | DISTRI-BUTABLE PROFITS RESERVE $'000 | FOREIGN CURRENCY TRANSLATION RESERVE $'000 | ACQUISITION RESERVE $'000 | DEFINED BENEFIT RESERVE $'000 | PRE-ACQUISITION PROFITS PAID RESERVE $'000 | TOTAL $'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2020** | 8,215 | (320) | 117,412 | 35,000 | (12,552) | (1,353) | (129,733) | 16,669 |
| **Other comprehensive income** | – | – | – | (7,030) | – | (111) | – | (7,141) |
| Transfer from retained earnings to reserves | – | – | 29,070 | – | – | – | – | 29,070 |
| **Transactions with shareholders** | | | | | | | | |
| Dividends declared from distributable profits reserve | – | – | (42,657) | – | – | – | – | (42,657) |
| Equity settled share-based payments | 10,167 | 247 | – | – | – | – | – | 10,414 |
| Treasury shares acquired | – | (18,490) | – | – | – | – | – | (18,490) |
| Disposal of subsidiaries with non-controlling interest | – | – | – | 1,930 | 96 | – | – | 2,026 |
| Transactions with non-controlling interest without a change in control | – | – | – | – | (1,063) | – | – | (1,063) |
| **Balance at 30 June 2021** | 18,382 | (18,563) | 103,825 | 29,900 | (13,519) | (1,464) | (129,733) | (11,172) |

### Share compensation reserve

The reserve for own shares represents the cost of ordinary shares held by an equity compensation plan that will be issued to settle entitlements under share-based payment plans. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Treasury share reserve

The treasury share reserve comprises the cost of the Company's shares held by Link Group. Treasury shares are carried at cost and held for the purposes of the settling share-based payment arrangements at a future date, refer Note 24. At 30 June 2022, Link Group held 1,702,747 (2021: 3,802,952) of the Company's shares.

### Distributable profits reserve

The distributable profits reserve is available to enable the payment of future dividends.

### Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of Link Group. Where Link Group hedges foreign currency risk on net investments in foreign subsidiaries, foreign exchange gains/losses on translation of the hedging instrument are recognised in other comprehensive income and accumulated in the foreign currency translation reserve on consolidation.

### Acquisition reserve

The acquisition reserve represents the purchase of non-controlling interests where there is no change in control. The accounting standards prescribe that the value of such acquisitions should be accounted for as equity transactions instead of accounting for them as an adjustment to goodwill.

### Defined benefit reserve

The defined benefit reserve represents the re-measurement of the net defined benefit liability and comprises the actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest).

### Pre-acquisition profits paid reserve

The pre-acquisition profits paid reserve represents dividends paid on consolidation from pre and post-acquisition profits in a prior period.

### Dividends

| | 2022 INTERIM | 2021 FINAL | 2021 INTERIM | 2020 FINAL |
|---|---|---|---|---|
| Dividend cents per share | **3.0** | **5.5** | 4.5 | 3.5 |
| Franking percentage | **100%** | **100%** | 60% | 50% |
| Total dividend ($'000) | **15,390** | **29,492** | 24,073 | 18,561 |
| Record date | **03.03.2022** | **01.09.2021** | 04.03.2021 | 02.09.2020 |
| Payment date | **08.04.2022** | **20.10.2021** | 09.04.2021 | 25.09.2020 |

Dividends are recognised as a liability in the period in which they are declared.

The Directors of the Company have not declared a 2022 final dividend. The proposed acquisition of Link Group by Dye & Durham Corporation ("Dye & Durham") by way of scheme of arrangement (Scheme), pursuant to a Scheme Implementation Deed announced to the ASX on 22 December 2021 and amended on 21 July 2022 (Revised Scheme Implementation Deed), permitted Link Group to pay a 2022 interim dividend of $0.03. The interim dividend was paid on 8 April 2022. The Revised Scheme Implementation Deed permits up to $0.08 per share of the Scheme consideration to be paid as a Special Dividend. It is proposed that any Special Dividend would be 100% franked, subject to available franking credits. As at the date of these consolidated financial statements, the Special Dividend remains subject to implementation of the Revised Scheme Implementation Deed. Further information can be found in the Explanatory and Supplementary Explanatory Booklets at www.linkgroup.com/scheme-meeting.

## 23. RETAINED EARNINGS

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Retained earnings at the beginning of the financial year** | **(167,815)** | 21,237 |
| Net loss attributable to equity holders | **(67,890)** | (163,352) |
| Transfer from retained earnings to distributable profits reserve | **–** | (29,070) |
| Gain on settlement of equity settled share-based payments recognised in retained earnings | **1,394** | 1,402 |
| Transactions with non-controlling interest without a change in control | **385** | 1,968 |
| **Retained earnings at the end of the year** | **(233,926)** | (167,815) |

## 24. SHARE-BASED PAYMENT ARRANGEMENTS

The fair value of the equity settled share-based payments is determined at grant/service commencement date and is recognised as an expense, with a corresponding increase in reserves, over the vesting period. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met, resulting in the amount recognised being based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The impact of any changes to the estimates of non-market vesting conditions are adjusted each reporting period to reflect the most current expectation of vesting.

### (a) Description of share-based payment arrangements

At 30 June 2022, Link Group had the following shared-based payment arrangements.

#### Omnibus equity plan

The Omnibus equity plan ("OEP") entitles Executive KMPs, Senior Executives and Senior Leaders to receive Performance Share Rights ("PSRs") which, subject to the satisfaction of service-based conditions and performance hurdles, will, if vested, allow participants to receive fully paid ordinary shares in the Company. During the financial year and in accordance with the OEP, LTI PSRs were granted to Executive KMPs, Senior Executives and Senior Leaders. The PSRs are divided into two tranches of 75% and 25% and subject to testing against an operating earnings-per-share ("EPS") target and relative total shareholder return ("relative TSR") respectively.

The terms and conditions of the PSRs granted during the financial year ended 30 June 2022 were as follows.

| GRANT DATE/ EMPLOYEES ENTITLED | NUMBER OF PSRS | VESTING CONDITIONS | CONTRACTUAL LIFE OF PSRS |
|---|---|---|---|
| LTI issued to Executive KMPs, Senior Executives and Senior Leaders on 2 December 2021 | **2,185,676** | 75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2021. | Seven years, with last exercise occurring September 2028 (unless the PSRs lapse earlier in accordance with the terms of the invitation). |
| LTI issued to Senior Leaders on 1 February 2022 | **55,931** | 75% against an EPS target and 25% against relative TSR for the three-year performance period commencing 1 July 2021. | Seven years, with last exercise occurring September 2028 (unless the PSRs lapse earlier in accordance with the terms of the invitation). |

The number of PSRs issued to each participant was calculated with reference to the 5-day Volume Weighted Average Price (VWAP) following the release of the 2021 full year results and accounted for at fair value in accordance with accounting standards from grant date.

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the LTI PSRs during the year ended 30 June 2022 was $4.7 million (2021: $1.8 million).

Under the terms of the OEP, Executive KMPs, Senior Executives and Senior Leaders had a portion of their FY2021 short term incentive deferred ("Deferred STI"). On 2 December 2021, restricted shares ("RSs") or share rights ("SRs") were issued to Deferred STI participants. The RSs or SRs entitle participants to receive fully paid ordinary shares in the Company subject to continued employment for a one or two-year service period.

The terms and conditions of the Deferred STI granted during the financial year ended 30 June 2022 were as follows.

| GRANT DATE | NUMBER OF RSs/SRs | VESTING CONDITIONS |
|---|---|---|
| Restricted shares issued 2 December 2021 | 705,492 | Subject to continued employment, 50% vesting on 31 August 2022, 50% vesting on 31 August 2023 |
| Share rights issued 2 December 2021 | 276,227 | Subject to continued employment, 50% vesting on 31 August 2022, 50% vesting on 31 August 2023 |

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the Deferred STI during the year ended 30 June 2022 was $3.0 million (2021: $nil).

### Special equity grant

On 1 December 2020, the Board, at its discretion, offered restricted shares ("RSs") or share rights ("SRs") as compensation to employees who participated in the voluntary temporary pay reduction in FY2020. The RSs or SRs entitle participants to receive fully paid ordinary shares in the Company subject to continued employment for a one or two-year service period. On 1 December 2021, 2,761,509 RSs and SRs vested in accordance with the terms of the grant.

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the special equity grant during the financial year ended 30 June 2022 was $5.7 million (2021: $9.4 million).

### Retention scheme

As disclosed in the 2021 Annual Report, several Executive KMP and Senior Executives have received equity grants as part of a retention scheme to retain key talent during a critical period for Link Group. On 2 December 2021, share rights ("SRs") were issued to retention scheme participants. The SRs entitle participants to receive fully paid ordinary shares in the Company subject to continued employment for a specified service period.

The terms and conditions of the retention scheme share rights granted during the financial year ended 30 June 2022 were as follows.

| GRANT DATE | NUMBER OF RSs/SRs | VESTING CONDITIONS |
|---|---|---|
| Share rights issued 2 December 2021 | 849,323 | Subject to continued employment, 50% vesting on 2 December 2022, 50% vesting on 2 December 2023. |
| Share rights issued 2 December 2021 | 99,077 | Subject to continued employment, vesting in various traches up to 30 November 2024. |

The expense recognised in the consolidated statement of profit or loss and other comprehensive income in relation to the retention scheme during the financial year ended 30 June 2022 was $2.7 million (2021: $0.6 million).

### Revised Scheme Implementation Deed

Under the Revised Scheme Implementation Deed agreed between Link Group and Dye & Durham, Link Group must ensure all PSRs, SRs and RSs described above vest and all restrictions are removed prior to the Scheme Record Date. In compliance with Link Group's obligations under the Revised Scheme Implementation Deed and in accordance with the terms of the Omnibus Equity Plan, Link Group's Board of Directors has exercised its discretion to resolve to approve the early vesting of all PSRs, SRs and RSs, subject to the Revised Scheme becoming effective. The impact of the potential early vesting of all PSRs, SRs and RSs has not been included in these consolidated financial statements given the Revised Scheme had not yet been agreed as at 30 June 2022, and as at the date of this report, the Scheme had not yet become effective.

## (b) Measurement of grant date fair values

The following inputs were used in the measurement of the fair values at grant date of the LTI PSRs issued during the year ended 30 June 2022:

| | 2 DECEMBER 2021 |
|---|---|
| Fair value at grant date: | |
| i. EPS tranche at grant date | **$4.46** |
| ii. TSR tranche fair value at grant date | **$2.49** |
| Share price at grant date | **$4.77** |
| Exercise price | **–** |
| Expected volatility (weighted average volatility) | **30.0%** |
| PSR life (expected weighted average life) | **3 years** |
| Holding lock discount: | |
| i. 1 year | **0.0%** |
| ii. 2 years | **0.0%** |
| Expected dividends | **2.52%** |
| Risk-free interest rate (based on government bonds) | **0.45%** |

The fair value of services received in return for LTI PSRs is based on the fair value of LTI PSRs granted, measured using a Monte Carlo valuation model. Expected volatility is estimated taking into account historic average share price volatility of the Company and certain other ASX listed companies.

The fair value of services received in return for Deferred STI and Retention Scheme restricted share or share rights is based on the market price of Link Group's ordinary shares at grant date, being $4.93.

### Significant accounting estimate and judgement

Judgement is required in determining the fair value of PSRs, which was determined at grant date based upon an independent valuation. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met.

## (c) Reconciliation of share rights

The number of performance and other share rights on issue during the financial year ended 30 June 2022 was as follows:

| | LTI PSRs | | SEG SRs | | DEFERRED STI SRs | | RETENTION SRs | |
|---|---|---|---|---|---|---|---|---|
| | 2022 '000 | 2021 '000 | 2022 '000 | 2021 '000 | 2022 '000 | 2021 '000 | 2022 '000 | 2021 '000 |
| **On issue at beginning of the year** | **5,505** | 4,112 | **469** | – | **–** | 6 | **–** | – |
| Granted during the year | **2,242** | 2,504 | **–** | 521 | **276** | – | **948** | – |
| Lapsed during the year | **(1,731)** | (1,111) | **(21)** | (49) | **–** | – | **(33)** | – |
| Vested during the year | **–** | – | **(410)** | (3) | **–** | (6) | **(3)** | – |
| **On issue at the end of the year** | **6,016** | 5,505 | **38** | 469 | **276** | – | **912** | – |

## GROUP STRUCTURE

## 25. BUSINESS COMBINATIONS

In addition to organic growth, Link Group seeks to grow through acquisitions and leverage the existing systems, skill sets and processes to improve client satisfaction and obtain synergies to drive positive returns for shareholders.

All business combinations are accounted for by applying the acquisition method. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Link Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Consideration transferred includes the fair values of the assets, liabilities and contingent liabilities, including liabilities incurred by Link Group to the previous owners of the acquiree and equity interests issued by Link Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the Business Combination.

### Significant accounting estimate and judgement

Judgement is required in measuring the fair value of identifiable assets acquired and liabilities assumed for each acquisition. All key assumptions applied in fair value measurements were determined using the past experiences of Link Group and management. Where possible, assumptions were validated against external sources of information.

### Acquisitions

On 6 August 2021, Link Group acquired 100% of Casa4Funds SA for €10 million ($16.8 million). Casa4Funds, headquartered in Luxembourg, is one of the oldest European independent third-party UCITS Management Companies and Alternative Investment Fund Managers (AIFM) and the acquisition provides additional scale for Link Fund Solutions in Luxembourg, Europe's largest investment fund centre.

### Provisional acquisition accounting

The fair values of Casa4Funds' assets and liabilities have been recognised on a provisional basis in the consolidated financial statements as follows:

| | CASA4FUNDS $'000 |
|---|---|
| Consideration on settlement | 16,827 |
| Less: fair value of net identifiable assets acquired | (5,457) |
| **Goodwill** | **11,370** |
| **Identifiable assets acquired and liabilities assumed:** | |
| Cash and cash equivalents | 2,514 |
| Trade and other receivables | 31,525 |
| Other assets | 919 |
| Plant and equipment | 190 |
| Client relationships | 3,489 |
| Software | 1 |
| Trade and other payables | (31,528) |
| Interest-bearing loans and borrowings | (403) |
| Provisions | (158) |
| Current tax liabilities | (255) |
| Deferred tax liabilities | (837) |
| **Net assets** | **5,457** |

The fair values of Casa4Funds' assets and liabilities recognised on a provisional basis may be revised in accordance with *AASB 3 Business Combinations*.

- intangible assets (excluding goodwill), predominantly client relationships, have been determined provisionally pending completion of fair value calculations; and
- the fair value of net identifiable assets acquired may be impacted by the completion of the newly acquired subsidiaries 30 June 2022 financial statement audits and tax returns.
- goodwill is calculated as the difference between purchase consideration and the fair value of net identifiable assets acquired. The goodwill is attributable to the workforce and the synergies expected to be achieved from integrating the company into the Fund Solutions business.

Where new information obtained within one year of the acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, the accounting for the acquisition will be revised.

### Prior year provisional acquisition accounting

The fair values of the assets and liabilities acquired in the Universal Capital Securities Private Limited and SKDC Consultants Limited business combinations were recognised on a provisional basis as at 30 June 2021. No new information was obtained about the facts and circumstances that existed at the date of the acquisitions, meaning no adjustments to any amounts recognised or the accounting for the acquisitions were required. The measurement period for these business combinations is now closed.

## 26. CONTROLLED ENTITIES

| SUBSIDIARIES | COUNTRY OF INCORPORATION | % OWNERSHIP INTEREST CONSOLIDATED 2022 | % OWNERSHIP INTEREST CONSOLIDATED 2021 |
|---|---|---|---|
| **Australia and New Zealand** | | | |
| Link Administration Pty Limited | Australia | **100** | 100 |
| Link Digital Solutions Pty Limited | Australia | **100** | 100 |
| Link Market Services Group Pty Limited | Australia | **100** | 100 |
| Link Market Services Holdings Pty Limited | Australia | **100** | 100 |
| Link Market Services Limited | Australia | **100** | 100 |
| Pacific Custodians Pty Limited | Australia | **100** | 100 |
| Link MS Services Pty Limited | Australia | **100** | 100 |
| Link Share Plans Pty Limited | Australia | **100** | 100 |
| Orient Capital Pty Limited | Australia | **100** | 100 |
| Corporate File Pty Limited | Australia | **100** | 100 |
| Open Briefing Pty Limited | Australia | **100** | 100 |
| Australian Administration Services Pty Limited | Australia | **100** | 100 |
| AAS Superannuation Services Pty Limited | Australia | **100** | 100 |
| Link Group Technology Pty Limited | Australia | **100** | 100 |
| Atune Financial Solutions Pty Limited | Australia | **100** | 100 |
| Primary Superannuation Services Pty Limited | Australia | **100** | 100 |
| The Superannuation Clearing House Pty Limited | Australia | **100** | 100 |
| Complete Corporate Solutions Pty Limited | Australia | **100** | 100 |
| Company Matters Pty Ltd | Australia | **100** | 100 |
| The Australian Superannuation Group (WA) Pty Ltd | Australia | **100** | 100 |
| Link DigiCom Pty Limited | Australia | **100** | 100 |
| Link Business Services Pty Ltd | Australia | **100** | 100 |
| Link Administration Services Pty Limited | Australia | **100** | 100 |
| Link Advice Pty Limited | Australia | **100** | 100 |

| SUBSIDIARIES | COUNTRY OF INCORPORATION | % OWNERSHIP INTEREST CONSOLIDATED 2022 | % OWNERSHIP INTEREST CONSOLIDATED 2021 |
|---|---|---|---|
| Link Super Pty Limited | Australia | 100 | 100 |
| Link Superannuation Management Pty Ltd *(formerly P.S.I Superannuation Management Pty Limited)* | Australia | 100 | 100 |
| Empirics Marketing Pty Limited | Australia | 51.3 | 51.3 |
| Accrued Holdings Pty Limited | Australia | 51.3 | 51.3 |
| FuturePlus Financial Services Pty Limited | Australia | 100 | 100 |
| Link Property Holdings Pty Limited | Australia | 100 | 100 |
| Link Property Pty Limited | Australia | 100 | 100 |
| Link Administration RSS Pty Limited | Australia | 100 | 100 |
| Synchronised Software Pty Limited | Australia | 100 | 100 |
| Link Administration Support Services Pty Limited | Australia | 100 | 100 |
| Superpartners Pty Limited | Australia | 100 | 100 |
| Link Administration Resource Services Pty Limited | Australia | 100 | 100 |
| Link Fund Solutions Pty Limited | Australia | 100 | 100 |
| Adviser Network Pty Limited | Australia | 100 | 100 |
| Link Land Registry Services Pty Limited | Australia | 100 | 100 |
| WO Nominees A/C Non Taxable Pty Limited | Australia | 100 | 100 |
| WO Nominees A/C Company Pty Limited | Australia | 100 | 100 |
| WO Nominees A/C Fund Pty Limited | Australia | 100 | 100 |
| Link Administration Holdings Employee Share Trust [1] | Australia | – | – |
| Link Market Services (New Zealand) Limited | New Zealand | 100 | 100 |
| Pacific Custodians (New Zealand) Limited | New Zealand | 100 | 100 |
| **United Kingdom and Channel Islands** | | | |
| Link Group Administration Limited | United Kingdom | 100 | 100 |
| Link Group Service Company Limited | United Kingdom | 100 | 100 |
| D.F. King Ltd | United Kingdom | 100 | 100 |
| Orient Capital Limited | United Kingdom | 100 | 100 |
| Link Group Corporate Director Limited | United Kingdom | 100 | 100 |
| Link Group Corporate Secretary Limited | United Kingdom | 100 | 100 |
| Asset Checker Limited *(dissolved 22 February 2022)* | United Kingdom | – | 50 |
| Crown Northcorp Limited | United Kingdom | 100 | 100 |
| Jessop Fund Managers Limited *(dissolved 22 February 2022)* | United Kingdom | – | 100 |
| LFI (Nominees) Limited | United Kingdom | 100 | 100 |
| Link Alternative Fund Administrators Limited | United Kingdom | 100 | 100 |
| Link Asset Services (Holdings) Limited | United Kingdom | 100 | 100 |
| BCMGlobal London Limited | United Kingdom | 100 | 100 |
| BCMGlobal (UK) Limited | United Kingdom | 100 | 100 |
| Link Company Matters Limited | United Kingdom | 100 | 100 |
| LF Solutions Holdings Limited | United Kingdom | 100 | 100 |
| Link Financial Investments Limited | United Kingdom | 100 | 100 |
| Link Fund Administrators Limited | United Kingdom | 100 | 100 |
| Link Fund Solutions Limited | United Kingdom | 100 | 100 |

1 Link Group has determined it controls the employee share trust that administers its share-based payment arrangements (refer Note 24), despite having no ownership interest in the entity.

| SUBSIDIARIES | COUNTRY OF INCORPORATION | % OWNERSHIP INTEREST CONSOLIDATED 2022 | % OWNERSHIP INTEREST CONSOLIDATED 2021 |
|---|---|---|---|
| Link Market Services Limited | United Kingdom | 100 | 100 |
| Link Market Services Trustees (Nominees) Limited | United Kingdom | 100 | 100 |
| Link Market Services Trustees Limited | United Kingdom | 100 | 100 |
| BCMGlobal Mortgage Services Limited | United Kingdom | 100 | 100 |
| Link Share Plan Services Limited | United Kingdom | 100 | 100 |
| Link Treasury Services Limited | United Kingdom | 100 | 100 |
| Rooftop Mortgages Limited | United Kingdom | 100 | 100 |
| Sinclair Henderson Fund Administration Limited | United Kingdom | 100 | 100 |
| Link Pension Administration Limited | United Kingdom | 100 | 100 |
| Link Market Services (Guernsey) Limited | Guernsey | 100 | 100 |
| Link Market Services (Jersey) Limited | Jersey | 100 | 100 |
| Link Market Services (Isle of Man) Limited | Isle of Man | 100 | 100 |
| **Europe** | | | |
| BCMGlobal Germany GmbH | Germany | 100 | 100 |
| Link Market Services (Frankfurt) GmbH | Germany | 100 | 100 |
| Link Asset Services GmbH | Germany | 100 | 100 |
| Orient Capital GmbH | Germany | 100 | 100 |
| BCMGlobal ASI Limited | Ireland | 100 | 100 |
| Link CTI Limited | Ireland | 100 | 100 |
| Link Fund Administrators (Ireland) Ltd | Ireland | 100 | 100 |
| Link Fund Manager Solutions (Ireland) Limited | Ireland | 100 | 100 |
| Link IRG (BC) Limited | Ireland | 100 | 100 |
| Link Registrars Limited | Ireland | 100 | 100 |
| Link Group Administration Pty Limited | Ireland | 100 | 100 |
| Link Group Service Company Pty Limited | Ireland | 100 | 100 |
| Link Fund Solutions (Luxembourg) S.A. | Luxembourg | 100 | 100 |
| Casa4Funds S.A *(acquired 6 August 2021, merged into Link Fund Solutions Luxembourg S.A. on 30 September 2021)* | Luxembourg | – | – |
| Link Fund Solutions (Switzerland) Sagl *(formerly Casa4Funds Sagl, acquired 4 August 2021)* | Switzerland | 100 | – |
| BCMGlobal Netherlands B.V. | Netherlands | 100 | 100 |
| FlexFront B.V. | Netherlands | 100 | 100 |
| BCMGlobal (France) SAS | France | 100 | 100 |
| **Other countries** | | | |
| Link Intime India Private Limited | India | 100 | 100 |
| TSR Consultants Private Limited *(formerly TSR Darashaw Consultants Private Limited)* | India | 100 | 100 |
| Universal Capital Securities Private Limited | India | 100 | 100 |
| SKDC Consultants Limited | India | 100 | 100 |
| Link Administration Services Private Limited | India | 100 | 100 |
| PNG Registries Pty Limited | Papua New Guinea | 100 | 100 |
| Link Market Services (Hong Kong) Pty Limited | Hong Kong | 100 | 100 |

Subsidiaries are entities controlled by the Company. Control exists when Link Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed on acquisition when necessary to align them with the policies adopted by Link Group.

## 27. PARENT ENTITY DISCLOSURES

In accordance with the Corporations Act 2001, these consolidated financial statements present the results of the consolidated entity only. As at, and throughout, the financial year ended 30 June 2022 the ultimate parent entity of Link Group was Link Administration Holdings Limited.

| | 2022 $'000 | 2021 $'000 |
|---|---|---|
| **Result of parent entity** | | |
| (Loss) / profit for the year | (23,059) | 29,070 |
| Other comprehensive income | – | – |
| **Total comprehensive income for the year** | (23,059) | 29,070 |
| **Financial position of parent entity at year end** | | |
| Current assets | 19,470 | 23,297 |
| Total assets | 1,822,070 | 2,000,524 |
| Current liabilities | 16,261 | 27,345 |
| Total liabilities | 16,261 | 27,345 |
| **Total equity of the parent entity comprising of:** | | |
| Contributed equity | 1,815,983 | 1,917,748 |
| Share compensation reserve | 19,317 | 18,382 |
| Distributable profits reserve | 58,966 | 103,848 |
| Accumulated losses | (88,457) | (66,799) |
| **Total equity** | 1,805,809 | 1,973,179 |

The parent entity has net current assets of $3.2 million (2021: deficiency of net current assets of $4.0 million), primarily due to the $9.8 million income tax receivable (2021: $24.5 million income tax payable) it carries as head of the Link Administration Holdings tax consolidated group. The current tax asset/liability is funded by other members of the tax consolidated group, shown as inter-company receivables in non-current assets. Link Group has $90.4 million (2021: $211.1 million) net current assets and $193.3 million (2021: $395.0 million) cash and cash equivalents as at 30 June 2022.

Other than those disclosed in Note 19, the parent entity has no contingent liabilities, contractual commitments or guarantees with third parties as at 30 June 2022 (2021: None).

## OTHER DISCLOSURES

## 28. RELATED PARTIES

### Key Management Personnel compensation

The aggregate Key Management Personnel ("KMP") compensation comprised the following:

| | 2022 $ | 2021 $ |
|---|---|---|
| Short term employee benefits | **7,937,484** | 8,506,617 |
| Post-employment benefits | **182,262** | 221,653 |
| Other long-term benefits | **36,051** | 31,902 |
| Share-based payments | **5,124,745** | 1,547,729 |
| Termination benefits | **–** | – |
| | **13,280,542** | 10,307,901 |

## 29. AUDITOR'S REMUNERATION

| | 2022 $ | 2021 $ |
|---|---|---|
| **Audit of the financial statements** | | |
| Auditor of the Company – KPMG Australia | **1,005,991** | 1,016,582 |
| Other network firms – KPMG international | **1,803,244** | 1,429,293 |
| **Assurance related services** | | |
| Auditor of the Company – KPMG Australia | **667,511** | 575,624 |
| Other network firms – KPMG international | **431,547** | 280,826 |
| **Other services** | | |
| Auditor of the Company – KPMG Australia | **326,600** | 580,350 |
| Other network firms – KPMG international | **214,865** | 213,274 |
| | **4,449,758** | 4,095,949 |

"Other services" includes accounting and consulting services provided during the financial year. Consulting services include advice on the superannuation industry, superannuation fund merger proposals, review of regulatory reporting software and Link Group's fair call service.

The Auditor's remuneration relating to entities acquired in a business combination during the financial year is disclosed only in respect of the period those entities were controlled by Link Group.

## 30. SUBSEQUENT EVENTS

### Link Group Scheme Meeting

The Link Group Scheme Meeting was held on 22 August 2022, pursuant to an order of the Supreme Court of New South Wales made on 2 August 2022. Link Group shareholders voted in favour of the proposed acquisition of Link Group by Dye & Durham Corporation by way of scheme of arrangement (Scheme).

The Special General Meeting was held on 22 August 2022, immediately following the Link Group Scheme Meeting. The resolution to approve the proposed BCM Capital Return in connection with the Scheme **(Capital Return Resolution)**, as set out in the Notice of Special General Meeting included in the Explanatory Booklet dated 10 May 2022, was approved by the requisite majority of Link Group shareholders.

Significant progress has been made on the Revised Scheme and is expected to be finalised at the end of September 2022, subject to remaining regulatory approvals and the approval of the Supreme Court of New South Wales **(Court)** at the hearing scheduled for 9:15am (Sydney time) on 9 September 2022.

### Acquisition of HS Pensions

On 26 August 2022, Link Group signed an agreement to acquire HS Pensions in the United Kingdom for cash free, debt free purchase consideration of GBP 6.3 million ($10.5 million). The acquisition will deliver core pension administration and a platform for Link Group's RSS division in the UK. The transaction is expected to complete in the first half of the financial year ending 30 June 2023.

### Impact of macroeconomic environment on post balance date trading

Whilst the Directors note the escalating geopolitical risks and the COVID-19 pandemic's continued impact on global markets, including jurisdictions that Link Group operates in, Link Group has shown resilience and has been proactive in response to these challenges. The future impact of these macroeconomic conditions remains uncertain.

Other than the matters described above, in the opinion of the Directors, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of Link Group, the results of those operations, or the state of affairs of Link Group, in future financial years.

## 31. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There are no new standards, amendments to standards and interpretations effective for annual periods beginning on or after 1 July 2022 that have been applied in preparing these consolidated financial statements. No new standards are expected to be relevant to Link Group, and Link Group does not intend to adopt any standards early.

SECTION

# 04 Directors’ Declaration

1. In the opinion of the Directors of Link Administration Holdings Limited (the Company):
   (a) the consolidated financial statements and notes that are set out on pages 60 to 110 and the Remuneration Report on pages 30 to 55 in the Directors’ Report are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of Link Group’s financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and the Chief Financial Officer for the financial year ended 30 June 2022.
3. The Directors draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

**Michael Carapiet**
**Chair**

**Vivek Bhatia**
**Chief Executive Officer & Managing Director**

Dated 30 August 2022 at Sydney.

# Independent Auditor's Report

## To the shareholders of Link Administration Holdings Limited

## Report on the audit of the Financial Report

### Opinion

We have audited the ***Financial Report*** of Link Administration Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- consolidated statement of financial position as at 30 June 2022;
- consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended;
- notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of goodwill; and
- Revenue recognition

***Key Audit Matters*** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of goodwill ($1,208.8m)

Refer to Note 15 to the Financial Report

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| Valuation of goodwill is a Key Audit Matter due to:<br>• the size of the balance (being 31% of total assets); and<br>• the high level of judgement involved by us in assessing the inputs to the Group's annual assessment of impairment model.<br>We focused on significant forward-looking assumptions the Group applied in its value in use model, including:<br>• forecast cash flows, growth rates and terminal growth rates which are influenced by duration, renewal and key terms of major client contracts and competitive market conditions. The Group operates across different geographies with varying market pressures, which increases the risk of inaccurate forecasts;<br>• estimating the projected cash flow forecast into the future is inherently subjective and susceptible to differences in outcome; and<br>• discount rates, which are subjective in nature and vary according to the specific conditions and environment of Cash Generating Units (CGUs).<br>In addition to the above, during the year the Group recorded an impairment charge of $60.7m against goodwill due to revised business growth expectations. The changes were the result of continued changes in | Working with our valuation specialists, our procedures included:<br>• considering the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards;<br>• assessing the integrity of the value in use models used, and the accuracy of the underlying calculations;<br>• checking the consistency of the forecast cash flows assumptions, for alignment to the Board approved forecasts;<br>• assessing the historical accuracy of the Group's forecasts by comparing to actual results, to use in our evaluation of forecasts incorporated in the value in use model;<br>• we challenged the Group's significant forecast cash flow and growth assumptions. We compared key events to the Board approved plan and strategy. We compared forecast growth rates and terminal growth rates to published studies of industry trends and expectations, and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and our industry experience;<br>• Assessing the consistency of the forecast cash flows assumptions, including analysis of major client contracts incorporated into the |

KPMG

| | |
|---|---|
| market conditions in the markets which the Banking and Credit Management ("BCM") division operates. This further increased our audit effort in this key audit area.<br><br>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter. | forecasts, for alignment to the Group's budget and our inquiries with the Group;<br>• we used our knowledge of the Group and its industry to independently develop a discount rate range considered comparable using publicly available market data for comparable entities;<br>• we considered the sensitivity of the model by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures;<br>• recalculating the impairment charge and comparing it to the recorded amount disclosed; and<br>• assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards. |

**Revenue recognition ($1,175.3m)**

Refer to Note 5(a) to the Financial Report

| **The key audit matter** | **How the matter was addressed in our audit** |
|---|---|
| Revenue recognition for recurring revenue is a Key Audit Matter due to the:<br>• significance of recurring revenue to the Group's results;<br>• audit effort resulting from the high volume of transactions in multi geographic locations for recurring revenue derived from the Group's four operating segments; and<br>• judgement being required with respect to the timing of revenue recognition, including complexities associated with recognition criteria for revenue derived from multi-year service contracts.<br><br>The Group generates revenue across its four operating segments from a variety of services and products offerings. Significant revenue streams include fees from the:<br>• provision of administration services to | Our procedures included:<br>• assessing the Group's revenue recognition policy against AASB 15 *Revenue from Contracts with Customers* requirements;<br>• obtaining an understanding of processes, systems and controls for recurring revenue across the four business units. This included testing key controls such as the review and manual approval by management of key recurring revenue calculations and customer invoices;<br>• sampling transactions across key revenue streams and checking recorded revenue to customer invoices, bank statements and the relevant features of the underlying signed customer contracts to the criteria in the accounting standard, those in the Group's policy, and against what the Group identified as performance obligations;<br>• selecting a sample of invoices across |

| | |
|---|---|
| superannuation funds;<br>• provision of services to corporates;<br>• loan origination and servicing, debt work-out, compliance and regulatory oversight services to retail banks, investment banks, private equity funds and other investors; and<br>• provision of management, third-party administration and transfer agency services to investment funds. | recurring revenue streams issued to customers prior to, and post, year-end. We checked the timing of fee revenue recorded against the details of the service description on the customer invoice and signed customer contracts, as well as the accuracy of the fee when compared to rates contained in contracts; and<br>• assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard. |

## Other Information

Other Information is financial and non-financial information in the Group's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Operating and Financial Review and Remuneration Report. The Messages from the Chair and Managing Director, Sustainability Report and Additional Shareholder Information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's and the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and the Company or to cease operations or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of the Group for the year ended 30 June 2022, complies with *Section 300A* of the *Corporations Act 2001*.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 30 to 55 of the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Eileen Hoggett
*Partner*

Brendan Twining
*Partner*

Sydney
30 August 2022